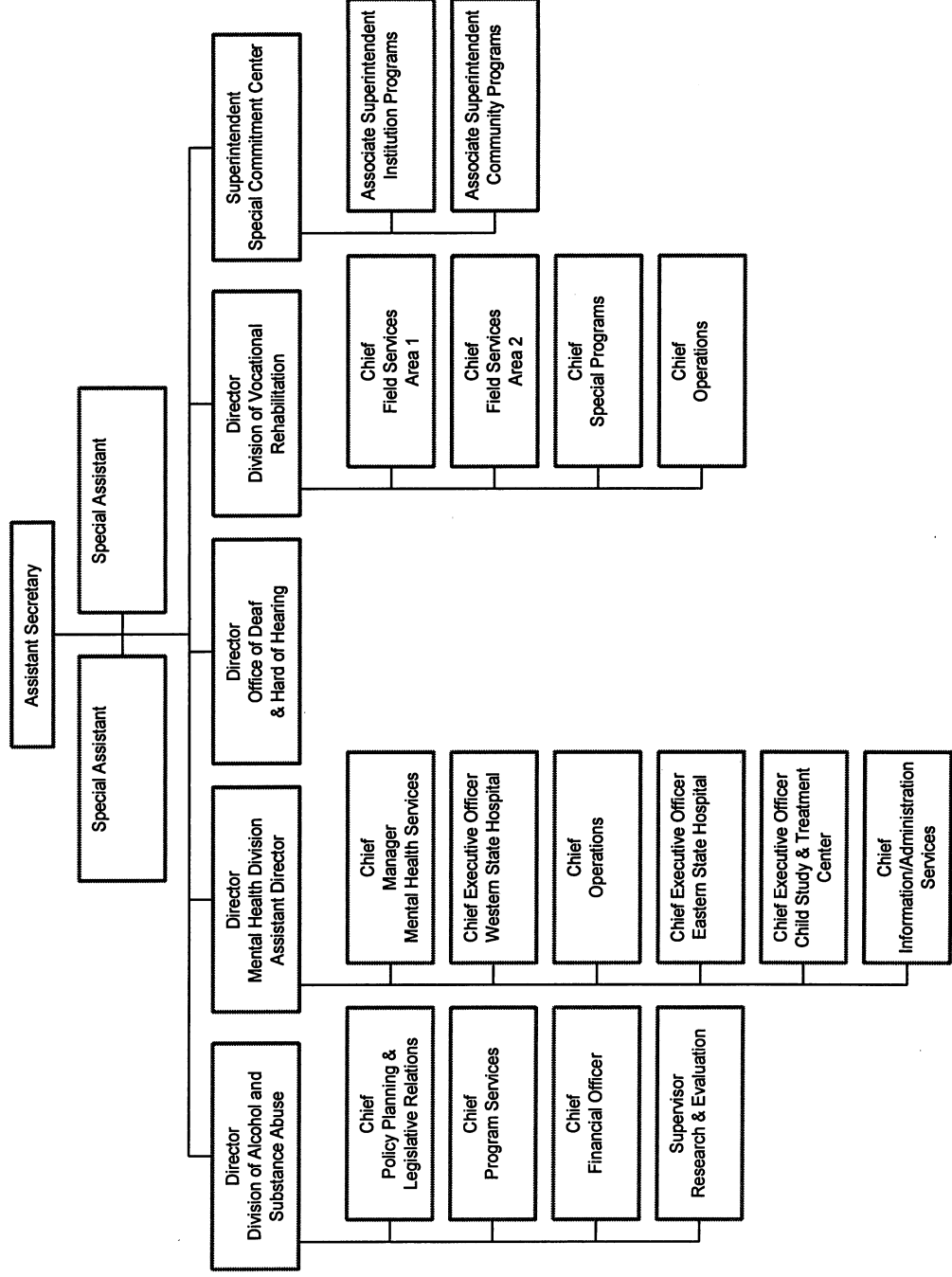


Section 1
Organization Chart

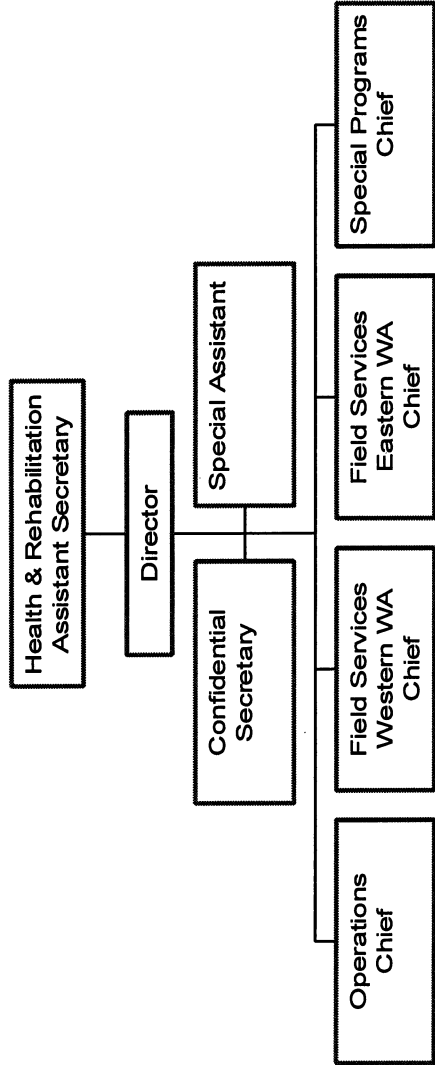
AGENCY	Code	Title
PROGRAM	300	Department of Social and Health Services
SUBPROGRAM		Health and Rehabilitative Services Administration

HEALTH AND REHABILITATIVE SERVICES ADMINISTRATION



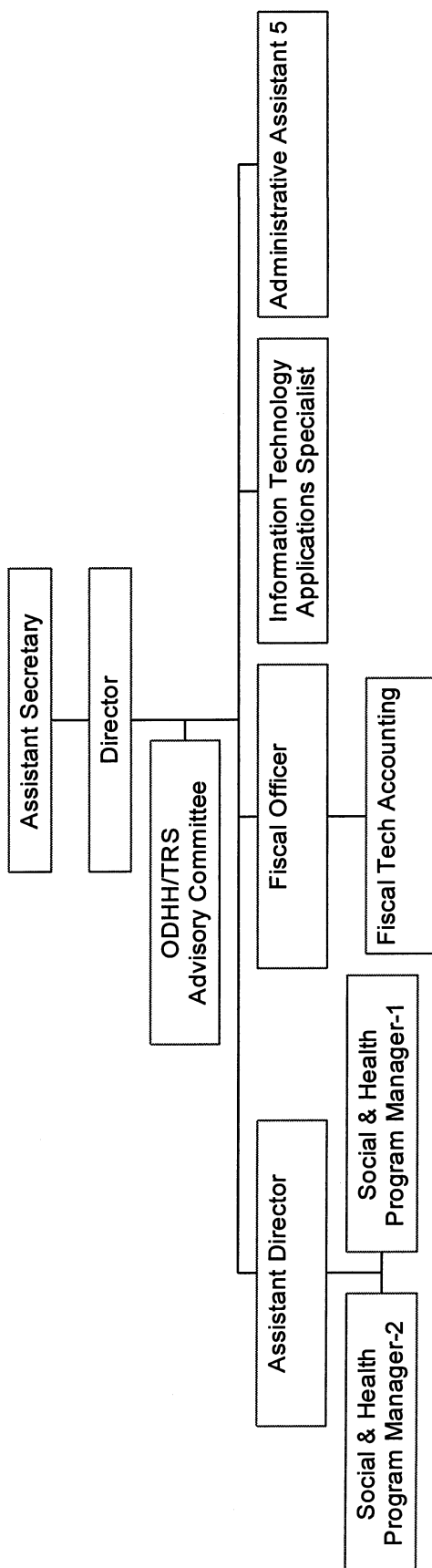
	Code	Title
AGENCY	300	Department of Social and Health Services
PROGRAM	100	Division of Vocational Rehabilitation
SUBPROGRAM		

DIVISION OF VOCATIONAL REHABILITATION



Code		Title
AGENCY	300	Department of Social and Health Services
PROGRAM	100	Health and Rehabilitative Services Administration
SUBPROGRAM		

OFFICE OF THE DEAF AND HARD OF HEARING



Fund and FTE Detail by Fiscal Year

Budget Period: 2005-07		Element		Selection	Grp	Element		Selection	Grp	Element		Selection	Grp
Agency: Dept of Social and Health Services		Agy-Activity:		(All)	2	Division:		(None)		Project:		(None)	
Version: 11		Program:		100	1	Branch:		(None)		Sub-Project:		(None)	
Budget Level: PL		Sub-Program		(None)		Section:		(None)		Phase:		(None)	
Sorted by: Decision Package Code		Activity:		(None)		Unit:		(None)		Budget Unit:		(None)	
Show Locked Only: No		Sub-Activity:		(None)		Cost Center:		(None)					
Include RecSum Text: No		Task:		(None)									

Program - 100 - Vocational Rehabilitation

Agency Activity - D065 - Office of Deaf and Hard of Hearing

Pgm:100

Total Current Biennium

Current Biennium Fund Totals

540-1 Tele Dev Hear/Speech-State
996-Z Estimated All Other-Other

00 Carry Forward Adjustments

540-1 Tele Dev Hear/Speech-State
996-Z Estimated All Other-Other

8D Budget Structure Changes

540-1 Tele Dev Hear/Speech-State
996-Z Estimated All Other-Other

Total Carry Forward Level

% Change from Current Biennium

Total Carry Forward Level Fund Totals

540-1 Tele Dev Hear/Speech-State
996-Z Estimated All Other-Other

Total Agency Activity - D065

Pgm:100

2003-05 Current Biennium

Total Carry Forward Level

% Change from Current Biennium

Carry Forward Plus Workload Changes

% Change from Current Biennium

Total Maintenance Level

% Change from Current Biennium

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
		2.0	1.0		891,000	891,000	100.00%
		2.0	1.0		891,000	891,000	100.00%
	2.0		1.0	891,000		891,000	100.00%
	2.0		1.0	891,000		891,000	100.00%
		2.0	2.0	891,000	891,000	1,782,000	100.0%
			100.0%				
		2.0	2.0	891,000	891,000	1,782,000	100.00%
	2.0						
		2.0	1.0		891,000	891,000	100.0%
		2.0	2.0	891,000	891,000	1,782,000	100.0%
			100.0%				
	2.0		2.0	891,000	891,000	1,782,000	100.0%
			100.0%				
	2.0		2.0	891,000	891,000	1,782,000	100.0%
			100.0%				

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
2005-07 Total Proposed Budget	2.0	2.0	2.0	891,000	891,000	1,782,000	
% Change from Current Biennium			100.0%			100.0%	
Agency Activity - J102 - Vocational Rehabilitation Projects and							
Pgm:100							
2003-05 Current Biennium							
Total Carry Forward Level							
% Change from Current Biennium							
Carry Forward Plus Workload Changes							
% Change from Current Biennium							
Total Maintenance Level							
% Change from Current Biennium							
2005-07 Total Proposed Budget							
% Change from Current Biennium							
Agency Activity - J103 - Vocational Rehabilitation Administration							
Pgm:100							
Total Current Biennium	5.1	6.9	6.0	392,000	349,000	741,000	
Current Biennium Fund Totals							
001-1 General Fund-State				75,000	49,000	124,000	16.73%
001-2 General Fund-Federal				317,000	300,000	617,000	83.27%
996-Z Estimated All Other-Other	5.1	6.9	6.0				
00 Carry Forward Adjustments							
001-1 General Fund-State				43,000	86,000	129,000	20.16%
001-2 General Fund-Federal				43,000	60,000	103,000	79.84%
Total Carry Forward Level	5.1	6.9	6.0	435,000	435,000	870,000	
% Change from Current Biennium			11.0%		24.6%	17.4%	
Total Carry Forward Level Fund Totals							
001-1 General Fund-State				75,000	75,000	150,000	17.24%
001-2 General Fund-Federal				360,000	360,000	720,000	82.76%
996-Z Estimated All Other-Other	5.1	6.9	6.0				

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
8L Lease Rate Adjustments							
001-1 General Fund-State					8,000	8,000	3.83%
FD Wide Area Network (WAN) Usage							
001-1 General Fund-State				122,000	79,000	201,000	96.17%
Total Maintenance Level	5.1	6.9	6.0	122,000	79,000	201,000	
% Change from Current Biennium				557,000	522,000	1,079,000	45.6%
Total Maintenance Level Fund Totals							
001-1 General Fund-State				197,000	162,000	359,000	33.27%
001-2 General Fund-Federal				360,000	360,000	720,000	66.73%
996-Z Estimated All Other-Other	5.1	6.9	6.0				
8L Lease Rate Adjustments							
001-1 General Fund-State					2,000	2,000	6.06%
9G FTE Staff Adjustment							
Estimated All Other-Other	(0.1)	(0.1)	(0.1)				
9T Transfers							
General Fund-State	(0.1)	(0.1)	(0.1)				
Estimated All Other-Other	(0.3)	(0.3)	(0.3)	(13,000)	(13,000)	(26,000)	(78.79)%
PA Electronic Intrusion Prevention							
General Fund-State	(0.3)	(0.3)	(0.3)				
2005-07 Total Proposed Budget	4.7	6.5	5.6	51,000	6,000	57,000	172.73%
% Change from Current Biennium	(7.8)%	(5.8)%	(6.7)%	51,000	6,000	57,000	
2005-07 Budget Fund Summary Totals				595,000	517,000	1,112,000	
% Change from Current Biennium				51.8%	48.1%	50.1%	
2005-07 Budget Fund Summary Totals							
001-1 General Fund-State				235,000	157,000	392,000	35.25%
001-2 General Fund-Federal				360,000	360,000	720,000	64.75%
996-Z Estimated All Other-Other	4.7	6.5	5.6				
Total Agency Activity - J103							
Pgm:100							
2003-05 Current Biennium	5.1	6.9	6.0	392,000	349,000	741,000	
Total Carry Forward Level	5.1	6.9	6.0	435,000	435,000	870,000	
% Change from Current Biennium				11.0%	24.6%	17.4%	
Carry Forward Plus Workload Changes	5.1	6.9	6.0	435,000	435,000	870,000	
% Change from Current Biennium				11.0%	24.6%	17.4%	
Total Maintenance Level	5.1	6.9	6.0	557,000	522,000	1,079,000	
% Change from Current Biennium				42.1%	49.6%	45.6%	
2005-07 Total Proposed Budget	4.7	6.5	5.6	595,000	517,000	1,112,000	
% Change from Current Biennium	(7.8)%	(5.8)%	(6.7)%	51.8%	48.1%	50.1%	

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
Agency Activity - J104 - Vocational Rehabilitation Counseling and							
Pgm:100							
Total Current Biennium	317.6	321.9	319.8	23,103,000	23,875,000	46,978,000	
Current Biennium Fund Totals							
001-1 General Fund-State				4,300,000	5,426,000	9,726,000	20.70%
001-2 General Fund-Federal				18,803,000	18,449,000	37,252,000	79.30%
996-Z Estimated All Other-Other	317.6	321.9	319.8				
00 Carry Forward Adjustments	1.5		0.8	1,289,000	518,000	1,807,000	
001-1 General Fund-State				737,000	(388,000)	349,000	19.31%
001-2 General Fund-Federal				552,000	906,000	1,458,000	80.69%
996-Z Estimated All Other-Other	1.5		0.8				
Total Carry Forward Level	319.1	321.9	320.5	24,392,000	24,393,000	48,785,000	
% Change from Current Biennium	0.5%		0.2%	5.6%	2.2%	3.8%	
Total Carry Forward Level Fund Totals							
001-1 General Fund-State				5,037,000	5,038,000	10,075,000	20.65%
001-2 General Fund-Federal				19,355,000	19,355,000	38,710,000	79.35%
996-Z Estimated All Other-Other	319.1	321.9	320.5				
8L Lease Rate Adjustments				93,000	107,000	200,000	
001-1 General Fund-State				93,000	107,000	200,000	100.00%
Total Maintenance Level	319.1	321.9	320.5	24,485,000	24,500,000	48,985,000	
% Change from Current Biennium	0.5%		0.2%	6.0%	2.6%	4.3%	
Total Maintenance Level Fund Totals							
001-1 General Fund-State				5,130,000	5,145,000	10,275,000	20.98%
001-2 General Fund-Federal				19,355,000	19,355,000	38,710,000	79.02%
996-Z Estimated All Other-Other	319.1	321.9	320.5				
Total Agency Activity - J104							
Pgm:100							
2003-05 Current Biennium							
Total Carry Forward Level	317.6	321.9	319.8	23,103,000	23,875,000	46,978,000	
% Change from Current Biennium							
Carry Forward Plus Workload Changes	319.1	321.9	320.5	24,392,000	24,393,000	48,785,000	
% Change from Current Biennium	0.5%		0.2%	5.6%	2.2%	3.8%	
Total Maintenance Level	319.1	321.9	320.5	24,392,000	24,393,000	48,785,000	
% Change from Current Biennium	0.5%		0.2%	5.6%	2.2%	3.8%	
2005-07 Total Proposed Budget	319.1	321.9	320.5	24,485,000	24,500,000	48,985,000	
% Change from Current Biennium	0.5%		0.2%	6.0%	2.6%	4.3%	
2005-07 Total Proposed Budget	319.1	321.9	320.5	24,485,000	24,500,000	48,985,000	
% Change from Current Biennium	0.5%		0.2%	6.0%	2.6%	4.3%	

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
Agency Activity - J105 - Vocational Rehabilitation Direct Client							
Total Current Biennium	20.9	18.3	19.6	29,229,000	30,005,000	59,234,000	
Current Biennium Fund Totals							
001-1 General Fund-State				5,887,000	5,148,000	11,035,000	18.63%
001-2 General Fund-Federal				23,122,000	24,637,000	47,759,000	80.63%
001-7 General Fund-Private/Local				220,000	220,000	440,000	0.74%
996-Z Estimated All Other-Other	20.9	18.3	19.6				
00 Carry Forward Adjustments	1.9		1.0	178,000	(598,000)	(420,000)	
001-1 General Fund-State				(371,000)	368,000	(3,000)	0.71%
001-2 General Fund-Federal				549,000	(966,000)	(417,000)	99.29%
996-Z Estimated All Other-Other	1.9		1.0				
Total Carry Forward Level	22.8	18.3	20.6	29,407,000	29,407,000	58,814,000	
% Change from Current Biennium							
Total Carry Forward Level Fund Totals	9.1%		4.8%	0.6%	(2.0)%	(0.7)%	
001-1 General Fund-State				5,516,000	5,516,000	11,032,000	18.76%
001-2 General Fund-Federal				23,671,000	23,671,000	47,342,000	80.49%
001-7 General Fund-Private/Local				220,000	220,000	440,000	0.75%
996-Z Estimated All Other-Other	22.8	18.3	20.6				
JA Vocational Rehab Grants				(529,000)	952,000	423,000	
001-1 General Fund-State				269,000	585,000	854,000	201.89%
001-2 General Fund-Federal				(798,000)	367,000	(431,000)	(101.89)%
Total Maintenance Level	22.8	18.3	20.6	28,878,000	30,359,000	59,237,000	
% Change from Current Biennium							
Total Maintenance Level Fund Totals	9.1%		4.8%	(1.2)%	1.2%	0.0%	
001-1 General Fund-State				5,785,000	6,101,000	11,886,000	20.07%
001-2 General Fund-Federal				22,873,000	24,038,000	46,911,000	79.19%
001-7 General Fund-Private/Local				220,000	220,000	440,000	0.74%
996-Z Estimated All Other-Other	22.8	18.3	20.6				
JB Reduce DVR Waiting List				3,000,000	3,000,000	6,000,000	
001-1 General Fund-State				3,000,000	3,000,000	6,000,000	37.50%
JC Youth with Disabilities Employment				3,000,000	3,000,000	6,000,000	
001-1 General Fund-State				3,000,000	3,000,000	6,000,000	37.50%
JD Mental Health Clubhouses				2,000,000	2,000,000	4,000,000	
001-1 General Fund-State				2,000,000	2,000,000	4,000,000	25.00%
2005-07 Total Proposed Budget	22.8	18.3	20.6	36,878,000	38,359,000	75,237,000	
% Change from Current Biennium							
	9.1%		4.8%	26.2%	27.8%	27.0%	

Pg:100

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
2005-07 Budget Fund Summary Totals							
001-1 General Fund-State				13,785,000	14,101,000	27,886,000	37.06%
001-2 General Fund-Federal				22,873,000	24,038,000	46,911,000	62.35%
001-7 General Fund-Private/Local				220,000	220,000	440,000	0.58%
996-Z Estimated All Other-Other	22.8	18.3	20.6				
Total Agency Activity - J105							
Pgm:100							
2003-05 Current Biennium	20.9	18.3	19.6	29,229,000	30,005,000	59,234,000	
Total Carry Forward Level	22.8	18.3	20.6	29,407,000	29,407,000	58,814,000	
% Change from Current Biennium	9.1%		4.8%	0.6%	(2.0)%	(0.7)%	
Carry Forward Plus Workload Changes	22.8	18.3	20.6	29,407,000	29,407,000	58,814,000	
% Change from Current Biennium	9.1%		4.8%	0.6%	(2.0)%	(0.7)%	
Total Maintenance Level	22.8	18.3	20.6	28,878,000	30,359,000	59,237,000	
% Change from Current Biennium	9.1%		4.8%	(1.2)%	1.2%	0.0%	
2005-07 Total Proposed Budget	22.8	18.3	20.6	36,878,000	38,359,000	75,237,000	
% Change from Current Biennium	9.1%		4.8%	26.2%	27.8%	27.0%	
Total Program - 100							
2003-05 Current Biennium	343.6	349.1	346.4	52,822,000	55,218,000	108,040,000	
Total Carry Forward Level	349.0	349.1	349.1	55,223,000	55,224,000	110,447,000	
% Change from Current Biennium	1.6%		0.8%	4.5%	0.0%	2.2%	
Carry Forward Plus Workload Changes	349.0	349.1	349.1	55,223,000	55,224,000	110,447,000	
% Change from Current Biennium	1.6%		0.8%	4.5%	0.0%	0.8%	
Total Maintenance Level	349.0	349.1	349.1	54,909,000	56,370,000	111,279,000	
% Change from Current Biennium	1.6%		0.8%	4.0%	2.1%	3.0%	
2005-07 Total Proposed Budget	348.6	348.7	348.7	62,947,000	64,365,000	127,312,000	
% Change from Current Biennium	1.5%	(0.1)%	0.7%	19.2%	16.6%	17.8%	

State of Washington
Agency Performance Measure
Incremental Estimates for the Biennial Budget

Agency: 300 Dept of Social and Health Services

Budget Period: 2005-07

Activity: J102 Vocational Rehabilitation Projects and Grants

100	M2	FD	Wide Area Network (WAN) Usage
100	M2	FD	Wide Area Network (WAN) Usage

No measures linked to activity
No measures linked to decision package

Activity: J103 Vocational Rehabilitation Administration

100	M2	FD	Wide Area Network (WAN) Usage
100	M2	FD	Wide Area Network (WAN) Usage
100	PL	8L	Lease Rate Adjustments
100	PL	8L	Lease Rate Adjustments
100	PL	9G	FTE Staff Adjustment
100	PL	9G	FTE Staff Adjustment
100	PL	9T	Transfers
100	PL	9T	Transfers

No measures linked to activity
No measures linked to decision package
No measures linked to activity
No measures linked to decision package
No measures linked to activity
No measures linked to decision package
No measures linked to activity
No measures linked to decision package

Activity: J104 Vocational Rehabilitation Counseling and Guidance

100	M2	FD	Wide Area Network (WAN) Usage
100	M2	FD	Wide Area Network (WAN) Usage

No measures linked to activity
No measures linked to decision package

Activity: J105 Vocational Rehabilitation Direct Client Services

100	M2	FD	Wide Area Network (WAN) Usage
100	M2	FD	Wide Area Network (WAN) Usage
100	M2	JA	Vocational Rehab Grants
100	M2	JA	Vocational Rehab Grants
100	PL	JB	Reduce DVR Waiting List
100	PL	JB	Reduce DVR Waiting List
100	PL	JC	Youth with Disabilities Employment
100	PL	JC	Youth with Disabilities Employment
100	PL	JD	Mental Health Clubhouses
100	PL	JD	Mental Health Clubhouses

No measures linked to activity
No measures linked to decision package
No measures linked to activity
No measures linked to decision package
No measures linked to activity
No measures linked to decision package
No measures linked to activity
No measures linked to decision package
No measures linked to activity
No measures linked to decision package

Activity: P001 Information Systems Services

100	PL	PA	Electronic Intrusion Prevention
100	PL	PA	Electronic Intrusion Prevention

No measures linked to activity
No measures linked to decision package

Activity Inventory Indirect Cost Allocation Approach
Department of Social and Health Services
September 1, 2004

Program 100 DVR

Allocation Method Description

Indirect cost are allocated according to federal expectations.
Comparison of expenditures for these activities occur on an
annual basis for VR states nationwide. Percentages could change
slightly depending on the programs direction.

Code	Title	% Allocation Received	Dollars Allocated FY 2006	FY 2007	Total Allocated
J102	DVR Projects and Grants	0.0%			
J103	Administration	12.0%	595,000	517,000	1,112,000
J104	Counseling and Guidance	42.0%	1,876,697	1,952,456	3,829,153
J105	Direct Client Services	46.0%	2,044,492	2,134,021	4,178,513
D065	Office of the Deaf and Hard of Hearing	0.0%			
	Total	100.0%	4,516,189	4,603,477	9,119,666

Expenditure Detail By Program

Budget Recommendation Summary

DSHS BUDGET DIVISION

State of Washington
Department of Social and Health Services
Recommendation Summary

Version: 11 - 2005-07 Agency Request Budget

Budget Period: 2005-07
Budget Level Criteria: ALL

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 100 - Vocational Rehabilitation					
CB - Current Biennium					
ZA Current Biennium Base	0	346.4	20,905	87,135	108,040
SubTotal CB		346.4	20,905	87,135	108,040
Cumulative Total Thru CB		346.4	20,905	87,135	108,040
CL - Carry Forward Level					
00 Carry Forward Adjustments	0	2.7	372	2,035	2,407
8D Budget Structure Changes	0	0.0	0	0	0
SubTotal CL		2.7	372	2,035	2,407
Cumulative Total Thru CL		349.1	21,277	89,170	110,447
M2 - Inflation and Other Rate Changes					
8L Lease Rate Adjustments	0	0.0	208	0	208
FD Wide Area Network (WAN) Usage	0	0.0	201	0	201
JA Vocational Rehab Grants	0	0.0	854	(431)	423
SubTotal M2		0.0	1,263	(431)	832
Cumulative Total Thru M2		349.1	22,540	88,739	111,279
PL - Performance Level					
8L Lease Rate Adjustments	0	0.0	2	0	2
9G FTE Staff Adjustment	0	(0.1)	0	0	0
9T Transfers	0	(0.3)	(26)	0	(26)
JB Reduce DVR Waiting List	0	0.0	6,000	0	6,000
JC Youth with Disabilities Employment	0	0.0	6,000	0	6,000
JD Mental Health Clubhouses	0	0.0	4,000	0	4,000
PA Electronic Intrusion Prevention	0	0.0	57	0	57
SubTotal PL		(0.4)	16,033	0	16,033
Cumulative Total Thru PL		348.7	38,573	88,739	127,312
Total Proposed Budget for Program 100 - Vocational Rehabilitation		348.7	38,573	88,739	127,312

Recommendation Summary Text

8L - Lease Rate Adjustments

(M2) Funding is requested for the incremental cost of lease renewals on site in the Department of Social and Health Services (DSHS) offices and client service centers statewide.

(PL) The Department of Social and Health Services (DSHS) is completing regional strategic plans for the usage of leased facilities. This effort has five goals. These goals include: using the DSHS lease budget efficiently; using space leased on behalf of DSHS efficiently; supporting integration of DSHS Services; maximizing collocation opportunities; and supporting a productive workforce.

Through this recent effort the regional DSHS workgroups have identified two site relocations in support of these goals. These sites are located in Moses Lake and Spokane. DSHS is requesting \$294,700 in support of this effort in the 2005-07 Biennium.

State of Washington
Department of Social and Health Services
Recommendation Summary

Version: 11 - 2005-07 Agency Request Budget

Budget Period: 2005-07
Budget Level Criteria: ALL

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
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9G - FTE Staff Adjustment

(PL) This decision package centralizes the Department of Social and Health Services (DSHS) background check Full-Time Equivalents (FTEs) in the Background Checks Central Unit (BCCU).

9T - Transfers

(PL) This decision package transfers funding and Full-Time Equivalents (FTEs) to centralize the funding for certain functions currently split among the Department of Social and Health Services (DSHS) Administrations.

FD - Wide Area Network (WAN) Usage

(M2) The Department of Social and Health Services (DSHS) is requesting funding to upgrade the Wide Area Network (WAN) infrastructure.

JA - Vocational Rehab Grants

(M2) This item requests the estimated federal authority needed to capture all available federal grant funds and the required state match. The Basic Support Grant is a lidded formula grant with annual adjustments based on per capita income and population.

JB - Reduce DVR Waiting List

(PL) The Division of Vocational Rehabilitation (DVR) is requesting \$3 million in state only funding each fiscal year to initiate services to 2,145 individuals who cannot be reached on the waiting list while operating from the federal determined waiting lists.

JC - Youth with Disabilities Employment

(PL) The Division of Vocational Rehabilitation (DVR) is requesting \$3 million in state only funding each fiscal year to serve individuals who normally could not be served from the federally determined waiting list.

JD - Mental Health Clubhouses

(PL) The Division of Vocational Rehabilitation (DVR) is requesting \$2 million of state only funding each fiscal year to support the operations of five Mental Health Clubhouses where the need for Mental Health services and supports is critical.

PA - Electronic Intrusion Prevention

(PL) Secure the Department of Social and Health Services (DSHS) networked environment against intrusion. This solution is designed to protect against zero-day or minimum-day exploits, aid in securing the remote access environment, as well as a large variety of known and unknown attacks. This significantly enhances protection of confidential client information, as well as state resources, both equipment and staff time.

Expenditure Detail By Program

Agency Budget Levels Summary

DSHS BUDGET DIVISION

State of Washington
Department of Social and Health Services
2005-07 Agency Budget Levels by Program (DSHS B5)
With Objects - All

All Fund/Approp Types

Version: 11		Current Biennium		Carry Forward Level		Maintenance Level		Performance Level	
		Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
2005-07 Agency Request Budget									
Program: 100 - Vocational Rehabilitation									
FTEs									
996-Z FTEs (EAOF-Other)	343.6	349.1		349.0	349.1	349.0	349.1	348.6	348.7
996-Z FTEs - Annual Average		346.4			349.1		349.1		348.7
Objects of Expenditure									
A Salaries And Wages	14,950,794	15,240,717		15,887,458	15,734,717	15,887,458	15,734,717	16,677,458	16,524,717
B Employee Benefits	4,034,215	4,588,743		4,525,824	4,698,743	4,525,824	4,698,743	4,722,824	4,895,743
C Personal Serv Contr	50,000	50,000		50,000	50,000	50,000	50,000	50,000	50,000
E Goods And Services	3,398,405	4,147,868		4,150,637	4,147,868	4,150,637	4,147,868	4,150,637	4,149,868
ED Rentals and Leases	2,545,951	2,607,342		2,610,951	2,607,342	2,703,951	2,722,342	2,703,951	2,722,342
EL Data Processing Serv	165,597	165,421		165,597	165,421	165,597	165,421	165,597	165,421
Subtotal for Object E	6,109,953	6,920,631		6,927,185	6,920,631	7,020,185	7,035,631	7,020,185	7,037,631
G Travel	659,971	664,561		664,975	664,561	664,975	664,561	664,975	664,561
J Capital Outlays	499,992	499,621		499,992	499,621	499,992	499,621	499,992	499,621
N Grants, Benfts Servs	26,096,961	26,826,308		26,243,961	26,228,308	25,714,961	27,180,308	32,714,961	34,180,308
TZ Unidentified	420,114	427,419		423,605	427,419	545,605	506,419	596,605	512,419
Total Objects of Expenditure	52,822,000	55,218,000		55,223,000	55,224,000	54,909,000	56,370,000	62,947,000	64,365,000
Source of Funds									
DSHS Sources for 001-1									
001-1 0011 GF- State	10,272,000	10,633,000		10,638,000	10,639,000	11,122,000	11,418,000	19,160,000	19,413,000
Total for: 001-1, Gnl Fnd-State	10,272,000	10,633,000		10,638,000	10,639,000	11,122,000	11,418,000	19,160,000	19,413,000
DSHS Sources for 001-2									
001-2 001B SS Disab Ins (100%)	2,000,000	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
001-2 126F VR Basic (78.7%)	39,507,780	40,519,125		40,651,780	40,519,125	39,853,780	40,886,125	39,853,780	40,886,125
001-2 169D VR Ind Lvg (90%)	342,220	313,375		342,220	313,375	342,220	313,375	342,220	313,375
001-2 187B VR Empl (100%)	480,000	641,500		480,000	641,500	480,000	641,500	480,000	641,500
Total for: 001-2, Gnl Fnd-Federal	42,330,000	43,474,000		43,474,000	43,474,000	42,676,000	43,841,000	42,676,000	43,841,000
DSHS Sources for 001-7									
001-7 5417 Contr & Gmt	220,000	220,000		220,000	220,000	220,000	220,000	220,000	220,000
Total for: 001-7, Gnl Fnd-Priv-Loc	220,000	220,000		220,000	220,000	220,000	220,000	220,000	220,000
DSHS Sources for 540-1									
540-1 5401 Tele Device H/S	0	891,000		891,000	891,000	891,000	891,000	891,000	891,000
Total for: 540-1, Tele Dev-State	0	891,000		891,000	891,000	891,000	891,000	891,000	891,000
Total Source of Funds	52,822,000	55,218,000		55,223,000	55,224,000	54,909,000	56,370,000	62,947,000	64,365,000

State of Washington
Department of Social and Health Services
2005-07 Agency Budget Levels by Program (DSHS B5)

Version: 11 2005-07 Agency Request Budget Program: 100 - Vocational Rehabilitation	With Objects - All						All Fund/Approp Types	
	Current Biennium		Carry Forward Level		Maintenance Level		Performance Level	
	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
Total Objects - Program: 100	52,822,000	55,218,000	55,223,000	55,224,000	54,909,000	56,370,000	62,947,000	64,365,000
Biennial Total Objects - Program: 100		108,040,000		110,447,000		111,279,000		127,312,000
Total Funds - Program: 100	52,822,000	55,218,000	55,223,000	55,224,000	54,909,000	56,370,000	62,947,000	64,365,000
Biennial Total Funds - Program: 100		108,040,000		110,447,000		111,279,000		127,312,000

State of Washington
Department of Social and Health Services
2005-07 Agency Budget Levels by Program (DSHS B5)
With Objects - All

Version: 11 2005-07 Agency Request Budget	Current Biennium		Carry Forward Level		Maintenance Level		All Fund/Approp Types Performance Level	
	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
Overall Total Objects	52,822,000	55,218,000	55,223,000	55,224,000	54,909,000	56,370,000	62,947,000	64,365,000
Biennial Overall Total Objects		108,040,000		110,447,000		111,279,000		127,312,000
Overall Total Funds	52,822,000	55,218,000	55,223,000	55,224,000	54,909,000	56,370,000	62,947,000	64,365,000
Biennial Overall Total Funds		108,040,000		110,447,000		111,279,000		127,312,000

State of Washington
Department of Social and Health Services
Recommendation Summary

Version: 11 - 2005-07 Agency Request Budget

Budget Period: 2005-07
Budget Level Criteria: M1+M2

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 100 - Vocational Rehabilitation					
M2 - Inflation and Other Rate Changes					
8L Lease Rate Adjustments	0	0.0	208	0	208
FD Wide Area Network (WAN) Usage	0	0.0	201	0	201
JA Vocational Rehab Grants	0	0.0	854	(431)	423
	SubTotal M2	0.0	1,263	(431)	832
Total Proposed M1+M2 Budget for Program		0.0	1,263	(431)	832
100 - Vocational Rehabilitation					

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

Funding is requested for the incremental cost of lease renewals on site in the Department of Social and Health Services (DSHS) offices and client service centers statewide.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	93,000	115,000	208,000
Total Cost	93,000	115,000	208,000

Staffing

Package Description:

Most DSHS staff work in facilities leased from public or private entities. Many of these facilities house field service staff, which provide services to over 1.3 million persons each year. To accommodate clients and provide ready access to services, the department currently leases over 3.5 million square feet of office space at over 200 locations throughout the state. To the greatest extent possible, the department requires the various programs to co-locate their offices.

Leases typically run five years or longer, and are generally renewed unless space or physical conditions require relocation. Most leases increase at the time of renewal. This request for additional funds results from mandatory lease renewals anticipated during the 2005-07 Biennium.

The Department of General Administration (GA) has indicated an across the board use of an average rate of 3 percent per year for five years (15 percent) to calculate for leases anticipated to expire during the 2005-07 Biennium.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Funding is requested for the incremental cost of lease renewals on site in DSHS offices and client service centers statewide.

Performance Measure Detail

Activity:

Incremental Changes
FY 1 FY 2

Reason for change:

Approximately 60 leases will expire during the 2005-07 Biennium. With the assistance of GA, the department negotiates the most cost-effective lease rates possible for the necessary space needed. In addition, the department is occasionally required to relocate by the landlord or from other circumstances, such as the closure of a building. In general, landlords increase lease rates at the time of renewal. The estimated percent of increases for leases that are expected to expire in the 2005-07 Biennium is 15 percent.

Impact on clients and services:

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

To meet the needs of the clients served by DSHS, offices are placed in locations that are safe and convenient to access. In addition, field staff who meet and visit clients in locations other than their office are located in buildings that are close to the clients they serve in order to save travel and employee time costs. Funding the lease costs will allow this practice to continue at the current level of service.

Impact on other state programs:

All programs within DSHS are affected. Because some DSHS offices are co-located with other state agencies, the lease expiration and renewal may effect other state programs.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

In order to take advantage of lease rates that are significantly below market, DSHS signs contracts with building owners, which obligate DSHS to pay agreed-upon, and legally binding rates for specific periods. The department has no alternative to payment of lease obligations.

Budget impacts in future biennia:

Lease costs will continue into future biennia. A bow wave step will be necessary to carry forward funding at the Fiscal Year 2007 level. The DSHS bow wave will be approximately \$1,305,000 GF-S in Fiscal Year 2008 and \$463,000 in Fiscal Year 2009.

Distinction between one-time and ongoing costs:

This increase is an ongoing cost.

Effects of non-funding:

Leased facilities are necessary to house field staff in client-convenient locations to provide the required assistance. The department has a legal obligation to pay lease expenses. Non-funding of lease adjustments would require the department to cut other vital services to clients.

Expenditure Calculations and Assumptions:

DSHS has an updated lease base to reflect the monthly lease expenditures in 2003-07 and includes the leases that expire in the 2005-07 Biennium. The ML step consists of working from the Fiscal Year 2005 base and increasing the lease costs by 15 percent beginning on the lease expiration date for each individual lease that expires in Fiscal Year 2006 and Fiscal Year 2007, with the assumption for ML purposes that all leases will be renewed on site. Any exceptions made are noted.

See attachment - AW M2-8L Attachment 1.xls

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects			
E Goods And Services	93,000	115,000	208,000

DSHS Source Code Detail

Program 100	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	93,000	115,000	208,000
<i>Total for Fund 001-1</i>	<u>93,000</u>	<u>115,000</u>	<u>208,000</u>
Total Program 100	<u>93,000</u>	<u>115,000</u>	<u>208,000</u>

2005-07 Biennium
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
010											
Aberdeen	514	01/01/98	03/31/03	14.01	10,326	144,636	(4)	144,636	0	144,636	0
Arlington	728	05/01/01	04/30/11	20.38	17,581	358,258	2	358,972	712	362,532	4,272 Lease Step 5/1/06
Bellevue	632	03/01/96	02/28/06	21.70	19,506	423,245	(5)	444,404	21,164	486,732	63,492
Bellingham	565	10/10/99	09/30/04	15.50	15,840	245,520	27,621	282,348	9,207	282,348	9,207
Centralla	800	04/01/01	03/31/11	19.36	19,292	373,405	10,176	414,111	30,531	414,111	30,531 Lease Step 4/1/05
Clarkston	575	02/01/00	01/31/05	15.21	3,878	58,986	3,691	67,836	5,159	67,836	5,159
Colfax	618	11/01/96	10/31/06	14.78	3,321	49,091	1	49,092	0	54,004	4,912
Colfax Addl Request				14.78	3,898	57,612	0	57,612	0	63,372	5,760
Colville	119	02/01/00	01/31/05	15.19	5,315	80,737	5,044	92,844	7,063	92,844	7,063
Ellensburg	122	05/01/01	04/30/06	17.84	3,960	70,637	(5)	72,398	1,766	81,228	10,596
Everett	127	07/01/02	06/30/10	21.00	29,023	609,506	(2)	676,809	67,305	676,809	67,305 Lease Step 7/1/05
Forks	135	01/01/97	05/31/04	12.98	2,278	29,573	4,435	34,008	0	34,008	0
Friday Harbor	398	03/01/01	02/28/06	22.84	1,230	28,099	5	29,508	1,404	32,316	4,212
Goldendale	454	12/01/01	11/30/06	15.45	1,998	30,866	(2)	30,864	0	33,566	2,702
Kelso	563	11/01/00	12/31/15	14.93	14,188	211,796	5,054	221,900	5,050	221,900	5,050 Lease Step 1/1/05
Kent	450	12/01/01	11/30/06	20.05	35,379	709,343	1	709,344	0	771,413	62,069
Lacey - Martin Way	Unkn	09/01/04	unkn	15.58	15,087	235,016	4	235,020	0	235,020	0 ONE TIME START UP COSTS \$239,750
Long Beach	854	12/31/00	11/30/10	18.96	3,824	72,516	(4)	72,516	0	72,516	0
Lynnwood	643	07/01/99	06/30/09	20.73	14,637	303,408	0	303,408	0	303,408	0
Monroe	861	05/01/03	04/30/13	24.77	9,566	236,910	6	236,916	0	236,916	0
Moses Lake	154	08/01/95	07/31/05	13.80	7,466	103,043	1	117,212	14,168	118,500	15,456
Mount Vernon	655	01/01/98	11/30/07	15.69	15,041	235,987	5	235,992	0	235,992	0
Newport	603	09/01/95	08/31/05	16.76	2,093	35,086	2	39,478	4,390	40,356	5,268
Newport Addl Request				16.76	2,812	47,129	(5)	53,014	5,890	54,192	7,068
Oak Harbor	487	05/01/93	04/30/08	17.93	6,105	109,489	(1)	109,488	0	109,488	0
Omak	385	05/01/01	04/30/06	16.76	4,879	81,750	6	83,800	2,044	94,020	12,264
Port Angeles	693	09/01/99	08/31/04	20.56	12,837	263,962	33,002	303,564	6,600	303,564	6,600
Port Townsend	181	10/01/98	03/31/04	17.19	2,592	44,556	(0)	44,556	0	44,556	0 Changed to reflect lease value
Republic	642	08/01/03	07/31/08	16.33	484	7,904	4	7,908	0	7,908	0
Richland	729	12/01/98	11/30/08	15.48	15,938	246,720	0	246,720	0	246,720	0
Seattle	403	03/01/02	02/28/07	19.05	15,496	295,197	3	295,200	0	309,960	14,760
Seattle	610	06/01/98	09/30/05	18.18	3,750	68,192	4	75,864	7,668	78,420	10,224
Seattle	610	06/01/98	09/30/05	18.18	9,277	168,685	(1)	187,665	18,981	193,992	25,308
Seattle Space Addit	610	08/01/04	09/30/05	20.00	20,949	418,979	0	508,485	89,506	525,624	106,645
Seattle	201	03/03/03	06/30/04			0	0	0	0	0	0 This lease has expired.
Graham St Lease				20.00	41,320	826,407	(3)	826,404	0	826,404	0 Replaces Lane Bldg Lease
Seattle	918	07/01/03	06/30/13	26.71	44,310	1,183,369	(1)	1,183,368	0	1,183,368	0
Shelton	637	09/01/97	09/30/07	17.82	9,138	162,857	(5)	162,852	0	162,852	0
South Bend	666	11/01/99	10/31/09	17.14	4,316	73,975	3,023	78,506	1,509	78,506	1,509 Lease Step 11/1/04
Spokane	654	10/01/03	09/30/08	18.53	59,121	1,095,587	1	1,095,588	0	1,095,588	0
Stevenson	617	05/01/97	04/30/12	16.16	3,035	49,045	(1)	49,044	0	49,044	0
Sumnyside	616	08/01/02	07/31/07	13.98	5,581	78,021	3	78,024	0	78,024	0
Tacoma	233	02/01/87	01/31/13	20.61	58,877	1,213,239	36,393	1,287,120	37,488	1,287,120	37,488 Lease Step 7/1/04 & 7/1/05
Tacoma	532	06/01/93	05/31/13	27.48	7,963	218,787	(3)	218,784	0	218,784	0
Tacoma	912	09/01/02	08/31/07	6.80	4,320	29,358	6	29,364	0	29,364	0
Toppenish	798	01/01/00	12/31/09	17.10	10,164	173,818	2	173,820	0	173,820	0
Tumwater	851	01/01/02	12/31/11	20.13	37,758	760,002	6	760,008	0	760,008	0
Vancouver	260	08/01/03	07/31/13	18.69	33,034	617,412	0	617,412	0	617,412	0
Walla Walla	274	01/01/04	12/31/08	14.58	10,702	156,048	(0)	156,048	0	156,048	0 Changed to reflect lease value

**2005-07 Biennium
M2-8L Lease Rate Adjustments**

AW M2-8L Lease Rate Adjustments	Prog	City	Count #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
Wenatchee	277			11/01/03	10/31/08	17.19	9,934	170,766	170,772	170,772	170,772	0 Changed to reflect lease value
White Salmon	278			01/01/03	12/31/08	14.03	1,291	18,109	18,108	18,108	18,108	0
Yakima	282			05/27/99	06/30/19	13.99	25,461	356,100	366,780	377,784	389,112	22,332 Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima	731			01/01/04	12/31/08	16.19	7,959	128,856	128,856	128,856	128,856	0 Changed to reflect lease value
Month Total						19.01	724,130	13,767,605	13,906,747	14,255,355	14,479,578	572,831
Increase/Annual Total							Fastrack:	13,182,395		Rounded: 349,000	Rounded: 573,000	
020												
Bremerton	765			03/01/04	02/28/09	16.01	2,300	36,814	36,816	36,816	36,816	0
Everett	132			05/01/99	06/30/04	16.39	18,000	294,944	339,192	339,192	339,192	0
Kelso	563			11/01/00	12/31/15	14.93	2,240	33,441	34,240	35,037	35,037	796 Lease Step 1/1/05
Mount Vernon	655			01/01/98	11/30/07	15.69	1,724	27,056	27,060	27,060	27,060	0
Olympia	622			01/01/04	12/31/08	18.72	7,614	142,562	142,560	142,560	142,560	0 Combined OJJ and Region 6
Seattle	505			11/01/02	10/31/12	25.04	22,213	556,119	556,116	556,116	556,116	0
Spokane	801			09/01/00	08/30/10	16.74	6,226	104,219	104,218	113,705	115,602	11,385 Lease Step 9/1/05
Tacoma	532			06/01/93	05/31/13	27.48	9,088	249,703	249,708	249,708	249,708	0
Vancouver	775			09/01/00	08/31/05	19.86	2,854	56,685	56,688	63,778	65,196	8,508
Wenatchee	277			11/01/03	10/31/08	17.18	284	4,879	4,884	4,884	4,884	0 Changed to reflect lease value
Yakima	283			11/01/03	10/31/04	11.29	14,280	161,221	177,340	185,400	185,400	8,060 Changed to reflect lease value
Month Total						19.21	86,823	1,667,643	1,728,822	1,754,256	1,757,571	28,749
Increase/Annual Total							Fastrack:	1,671,517		Rounded: 25,000	Rounded: 29,000	
030												
Seattle (SCTF)	929			11/01/03	10/31/13	12.18	14,960	182,162	149,400	149,400	149,400	0
Stellacoom	890			09/01/03	08/31/05	18.54	4,000	74,160	83,430	9,270	85,284	11,124
Total							18,960	256,322	232,830	9,270	234,684	11,124
Increase/Annual Total							Fastrack:	189,286		Rounded: 9,000	Rounded: 11,000	
040												
From 040 Tab												
Total						16.91	143,888	2,432,780	2,492,844	2,553,397	2,623,639	130,795
Increase/Annual Total							Fastrack:	2,274,901		Rounded: 61,000	Rounded: 131,000	
050												
Aberdeen	680			12/01/02	11/30/07	13.81	5,121	70,721	70,716	70,716	70,716	0
Arlington	728			05/01/01	04/30/11	20.38	6,907	140,744	140,748	279	142,423	1,675 Lease Step 5/1/06
Arlington	723			05/01/01	04/30/11	20.38	6,279	127,949	127,944	255	129,476	1,532 Lease Step 5/1/06
Bellingham	728			03/01/03	02/29/08	16.95	6,778	114,887	114,888	0	114,888	0
Bremerton	430			06/01/91	05/31/09	18.86	5,791	109,221	109,224	0	109,224	0
Chehalis	799			11/01/03	10/31/05	11.50	3,602	41,424	41,424	4,144	47,640	6,216
Clarkston	575			02/01/00	01/31/05	15.21	1,406	21,388	22,719	1,869	24,588	1,869
Collax	618			11/01/96	10/31/06	14.79	578	8,544	8,544	0	9,400	856
Colville	119			02/01/00	01/31/05	15.19	2,372	36,034	38,286	3,150	41,436	3,150
Ellensburg	122			05/01/01	04/30/06	17.84	602	10,737	10,740	268	12,348	1,608
Everett	127			07/01/02	06/30/10	21.00	6,521	136,946	136,944	15,124	152,068	15,124 Lease Step 7/1/05
Friday Harbor	398			03/01/01	02/28/06	22.83	362	8,264	8,268	412	9,504	1,236

2005-07 Biennium
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Count #	Begin	End	Cost/ SQFT	SOFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
Goldendale		454	12/01/01	11/30/06	15.49	123	1,905	1,908	1,908	2,076	168
Grandview (West)		627	07/01/97	06/30/07	16.22	506	8,208	8,208	8,208	8,208	0
Kelso		563	11/01/00	12/31/15	14.93	560	8,360	8,562	8,759	198	Lease Step 11/1/05
Kelso		563	11/01/00	12/31/15	14.92	2,194	32,745	33,527	34,307	34,307	779
Lacey-hqt		651	05/01/00	04/01/10	16.92	57,059	965,549	965,544	968,291	2,747	Lease Step 11/1/05
Lacey-hqt		651	05/01/00	04/01/10	16.92	4,032	68,229	68,232	68,423	191	Lease Step 7/1/05
Long Beach		854	12/31/00	11/30/10	18.99	267	5,069	5,064	5,064	0	
Lynnwood		485	12/01/02	11/30/07	19.08	3,824	72,960	72,960	72,960	0	
Lynnwood		485	12/01/02	11/30/07	19.08	3,129	59,682	59,688	59,688	0	
Monroe		516	07/01/98	06/30/08	21.01	984	20,677	20,676	20,676	0	
Moses Lake		154	08/01/95	07/31/05	13.79	785	10,828	10,824	12,309	1,485	1,620
Mount Vernon		655	01/01/98	11/30/07	15.69	5,461	85,677	85,680	85,680	0	
Newport		603	09/01/95	08/31/05	16.77	310	5,198	5,196	5,846	650	780
Oak Harbor		566	08/01/01	07/31/06	16.36	722	11,811	11,808	11,808	0	
Omak		385	05/01/01	04/30/06	16.75	1,361	22,799	22,800	23,370	570	1,628
Pasco		175	10/01/98	11/30/04	14.15	174	2,462	2,677	2,832	155	2,832
Pasco		175	10/01/98	11/30/04	14.14	2,613	36,936	40,170	42,480	2,310	2,310
Port Angeles		613	06/01/96	05/31/05	19.62	211	4,140	4,192	4,764	572	572
Port Angeles		613	06/01/96	05/31/05	19.62	5,065	99,357	100,602	114,264	13,662	13,662
Port Townsend		181	10/01/98	03/31/04	17.19	80	1,375	1,584	1,584	0	Changed to reflect lease value
Port Townsend		864	08/01/02	05/31/06	14.67	592	8,684	8,688	8,797	109	1,308
Republic		642	08/01/03	07/31/08	14.95	484	7,234	7,236	7,236	0	
Seattle		348	08/01/99	07/31/09	17.79	12,725	226,411	242,537	244,003	1,466	Lease Step 8/1/04
Seattle		348	08/01/99	07/31/09	17.79	39,281	698,921	748,700	753,226	4,526	Lease Step 8/1/04
Shelton		637	09/01/97	09/30/07	17.82	391	6,969	6,972	6,972	0	
South Bend		666	11/01/99	10/31/09	17.13	703	12,042	12,536	12,780	244	Lease Step 11/1/04
Spokane		290	04/01/04	03/31/09	16.00	17,874	285,984	285,984	285,984	0	
Spokane		387	09/01/00	08/31/05	16.50	8,538	140,877	140,880	140,880	0	
Stevenson		617	05/01/97	04/30/12	16.15	253	4,087	4,092	4,092	0	
Sunnyside		688	05/01/98	04/30/08	12.69	1,554	19,717	19,716	19,716	0	
Tacoma		233	02/01/87	01/31/13	20.61	306	6,303	6,492	6,684	192	Lease Step 7/1/04 & 7/1/05
Tacoma		233	02/01/87	01/31/13	20.61	3,670	75,631	77,904	80,244	2,340	Lease Step 7/1/04 & 7/1/05
Tacoma		233	02/01/87	01/31/13	20.61	19,116	393,909	405,732	417,900	12,168	Lease Step 7/1/04 & 7/1/05
Tumwater-hqt		752	02/01/00	01/31/05	18.72	7,374	138,075	146,702	158,784	12,082	
Tumwater-hqt		701	03/01/99	02/28/09	18.54	12,496	231,676	231,672	231,672	0	
Vancouver		696	07/01/03	06/30/08	15.30	3,609	55,216	55,212	55,212	0	
Vancouver		696	07/01/03	06/30/08	15.30	8,341	127,619	127,620	127,620	0	
Walla Walla		274	01/01/04	12/31/08	7.25	3,018	21,887	21,888	21,888	0	
Wapato		523	09/01/03	08/31/08	12.41	2,392	29,680	29,676	29,676	0	
Wenatchee		913	07/01/03	06/30/08	15.56	3,78	5,880	5,880	5,880	0	
Wenatchee		913	07/01/03	06/30/08	15.56	3,402	52,920	52,920	52,920	0	
White Salmon		278	01/01/03	12/31/08	14.02	525	7,359	7,356	7,356	0	
Yakima		282	05/27/99	06/30/19	13.54	99	1,340	1,380	1,416	36	Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima		282	05/27/99	06/30/19	13.54	7,920	107,217	110,436	113,748	3,312	84
Yakima		835	01/01/00	12/31/04	15.94	4,973	79,273	85,218	91,164	5,946	6,720
Total					17.23	295,793	5,095,747	5,203,776	5,295,017	5,329,958	126,182
Increase/Annual Total						Fastrack:	5,098,636	5,203,776	5,295,017	5,329,958	126,000
								91,241	91,000	126,182	

2005-07 Biennium
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
Aberdeen	101	01/01/98	03/31/03	14.01	15,510	217,249	217,248	(1)	217,248	0	0 Add
Aberdeen	514	01/01/98	03/31/03	14.01	4,643	65,040	65,040	0	65,040	0	0 Add
Arlington	495	02/01/03	01/31/08	18.68	18,836	351,856	351,852	(4)	351,852	0	0
Arlington	728	05/01/01	04/30/11	20.37	314	6,397	6,396	(1)	6,409	13	78 Lease Step 5/1/06
Arlington	728	05/01/01	04/30/11	20.37	314	6,397	6,396	(1)	6,409	13	78 Lease Step 5/1/06
Arlington	848	08/01/00	07/31/10	20.99	12,102	254,028	254,028	(1)	267,890	13,862	15,122 Lease Step 8/1/05
Bellevue	632	03/01/96	02/28/06	21.70	26,885	583,362	583,368	6	612,536	29,168	87,504
Bellevue	632	03/01/96	02/28/06	21.70	2,270	49,267	49,272	5	51,736	2,464	7,392
Bellingham	106	07/01/03	06/30/13	18.81	1,293	24,324	24,324	0	24,324	0	0
Bellingham	106	07/01/03	06/30/13	18.81	22,923	431,196	431,196	(5)	431,196	0	0
Bellingham	106	07/01/03	06/30/13	18.81	1,411	26,535	26,532	(3)	26,532	0	0
Bremerton	430	06/01/91	05/31/09	18.87	606	11,437	11,436	(1)	11,436	0	0
Bremerton	430	06/01/91	05/31/09	18.86	23,922	451,178	451,176	(2)	451,176	0	0
Burien	111	11/01/93	07/01/04	15.58	30,255	471,348	536,160	64,812	542,052	5,892	5,892
Due to Leaseholdover Landlord is Charging Double Rent. Lease rate is expected to decrease in Jan 05											
Chehalis	921	07/01/98	12/31/04	28.00	12,650	354,200	277,276	(76,924)	200,349	(76,928)	(76,928)
Clarkston	575	02/01/00	01/31/05	15.21	8,066	122,700	130,370	7,670	141,108	10,738	10,738
Colfax	618	01/01/96	10/31/06	14.78	4,164	61,547	61,548	1	61,548	0	6,152
Colville	119	02/01/00	01/31/05	15.19	9,560	145,218	154,299	9,081	167,004	12,705	12,705
Davenport	120	12/01/99	11/30/04	10.82	2,919	31,574	34,337	2,763	36,312	1,975	1,975
Ellensburg	122	05/01/01	04/30/06	17.84	4,995	89,097	89,100	3	89,100	0	13,368
Everett	127	07/01/02	06/30/10	21.00	4,317	90,654	90,660	6	100,665	10,005	10,005 Lease Step 7/1/05
Everett	127	07/01/02	06/30/10	21.00	31,227	655,798	655,800	2	728,213	72,413	72,413 Lease Step 7/1/05
Everett	149	07/01/02	06/30/10	21.00	3,123	65,580	65,580	0	72,821	7,241	7,241 Lease Step 7/1/05
Federal Way	756	10/01/00	09/30/10	23.92	22,590	540,377	540,372	(5)	540,372	0	0
Fife	884	10/01/01	09/30/11	22.47	27,856	625,996	625,992	(4)	625,992	0	0
Forks	135	01/01/97	05/31/04	13.04	5,048	65,838	75,720	9,882	75,720	0	5,587 Lease Step 10/1/06
Friday Harbor	398	03/01/01	02/28/06	22.83	364	8,309	8,304	(5)	8,720	416	1,248
Goldendale	454	12/01/01	11/30/06	15.45	4,045	62,494	62,496	2	62,496	0	5,467
Grandview (West)	627	07/01/97	06/30/07	16.22	1,090	17,678	17,676	(2)	17,676	0	0
Grandview (West)	627	07/01/97	06/30/07	16.22	11,278	182,888	182,892	4	182,892	0	0
Kelso	563	11/01/00	12/31/15	14.93	25,249	376,913	385,901	8,988	394,895	8,993	8,993 Lease Step 1/1/05
Kelso	563	11/01/00	12/31/15	14.93	560	8,360	8,562	202	8,759	198	198 Lease Step 1/1/05
Kennewick	548	12/01/03	11/30/08	15.19	392	5,956	5,952	(4)	5,952	0	0
Kennewick	548	12/01/03	11/30/08	15.19	21,060	319,904	319,908	4	319,908	0	0
Kennewick	548	12/01/03	11/30/08	15.19	1,407	21,374	21,372	(2)	21,372	0	0
Kennewick	764	10/01/99	09/30/04	15.61	15,606	243,627	271,029	27,402	280,164	9,135	9,135
Kent	148	12/01/00	11/30/04	27.86	25,200	701,953	763,370	61,417	807,240	43,870	43,870
Kent	450	12/01/01	11/30/06	20.05	1,628	32,648	32,652	4	32,652	0	2,856
Lacey-hqt	455	03/01/02	01/01/07	17.52	46,455	813,969	813,972	3	813,972	0	864,847
Lacey-hqt	455	03/01/02	01/01/07	17.52	6,210	108,808	108,804	(4)	108,804	0	115,604
Lacey-hqt	455	03/01/02	01/01/07	17.52	6,508	114,039	114,036	(3)	114,036	0	121,161
Long Beach	854	12/31/00	11/30/10	18.96	6,004	113,848	113,844	(4)	113,844	0	7,125
Lynnwood	643	07/01/99	06/30/09	20.72	610	12,642	12,648	6	12,648	0	0
Lynnwood	643	07/01/99	06/30/09	20.73	28,148	583,477	583,476	(1)	583,476	0	583,476
Lynnwood	814	02/01/00	01/31/05	22.42	12,867	288,421	306,445	18,024	331,680	25,235	25,235
Marysville	891	08/01/01	07/31/06	12.20	3,016	36,797	36,792	(5)	36,792	0	41,852
Mattawa	853	03/01/02	02/28/07	15.44	1,268	19,577	19,572	(5)	19,572	0	20,552

2005-07 Biennium
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
Monroe	516	07/01/98	06/30/08	21.02	16,871	354,629	354,624	(5)	354,624	0	0
Moses Lake	154	08/01/95	07/31/05	13.80	15,184	209,580	209,580	1	28,820	31,440	31,440
Moses Lake	154	08/01/95	07/31/05	13.83	202	2,794	2,796	2	3,181	3,216	420
Mount Vernon	655	01/01/98	11/30/07	15.69	19,064	299,117	299,112	(5)	0	299,112	0
Mount Vernon	655	01/01/98	11/30/07	15.69	1,581	24,801	24,804	3	0	24,804	0
Newport	603	09/01/95	08/31/05	16.76	87,066	87,072	87,072	6	10,880	100,128	13,056
Oak Harbor	566	08/01/01	07/31/06	16.35	123,775	123,780	123,780	5	0	140,797	17,017
Olympia	470	05/01/02	04/30/07	15.61	27,000	421,440	421,440	0	0	431,976	10,536
Olympia-hqt	294	06/01/99	05/31/09	18.22	70,000	1,275,252	1,275,252	0	1,275,252	0	0
Olympia-hqt	602	07/01/00	06/30/05	19.00	27,297	518,751	518,748	(3)	5,202	596,556	77,808
Omak	385	05/01/01	04/30/06	16.75	12,422	208,120	208,116	(4)	5,202	239,328	31,212
Omak	385	05/01/01	04/30/06	16.79	194	3,257	3,252	(5)	82	3,744	492
Othello	558	05/01/01	04/30/06	14.18	3,645	51,688	51,684	(4)	1,292	59,436	7,752
Pasco	175	10/01/98	11/30/04	14.14	17,050	241,004	262,099	21,095	15,065	277,164	15,065
Pasco	175	10/01/98	11/30/04	14.14	1,807	25,547	27,781	2,234	1,595	29,376	1,595
Port Angeles	693	09/01/99	08/31/04	20.56	14,567	299,540	336,984	37,444	7,488	344,472	7,488
Port Angeles	693	09/01/99	08/31/04	20.58	502	10,329	11,622	1,293	258	11,880	258
Port Townsend	181	10/01/98	03/31/04	17.19	5,248	90,213	103,752	13,539	103,752	0	0
Port Townsend	864	08/01/02	05/31/06	14.67	6,505	95,398	95,400	2	1,193	109,716	14,316
Puyallup	183	01/01/98	03/31/05	19.19	18,750	359,790	373,287	13,497	40,473	413,760	40,473
Renton	722	06/01/99	05/31/09	23.23	18,431	428,152	428,148	(4)	0	428,148	0
Republic	642	08/01/03	07/31/08	16.31	1,935	31,564	31,560	(4)	0	31,560	0
Seattle	192	10/01/03	09/30/06	20.23	18,750	379,313	379,308	(5)	0	421,977	42,669
Seattle	194	05/01/97	04/30/07	18.36	40,530	744,242	744,240	(2)	0	762,846	18,606
Seattle	195	03/01/03	02/29/08	25.40	16,955	430,657	430,656	(1)	0	430,656	0
Seattle	201	03/03/03	06/30/04	14.19	2,498	35,440	40,752	5,312	0	40,752	0
Seattle	202	12/01/98	04/30/14	19.20	2,941	56,459	56,460	1	0	56,460	0
Seattle	202	12/01/98	04/30/14	19.21	610	11,718	11,724	6	0	11,724	0
Seattle	202	12/01/98	04/30/14	19.20	17,646	338,753	338,748	(5)	0	338,748	0
Seattle	202	12/01/98	04/30/14	19.20	1,498	28,762	28,764	2	0	28,764	0
Seattle	348	08/01/99	07/31/09	17.79	3,320	59,064	63,270	4,206	382	63,653	382
Seattle	394	12/01/00	11/30/05	26.76	13,672	365,800	365,796	(4)	32,004	420,660	54,864
Seattle	402	02/01/04	06/31/04	25.06	24,925	624,639	702,716	78,077	15,616	718,332	15,616
Seattle	403	03/01/02	02/28/07	19.05	66,061	1,258,471	1,258,476	5	1,258,476	1,321,400	62,924
Seattle	610	06/01/98	09/30/05	18.18	26,448	480,933	480,936	3	54,108	553,080	72,144
Shelton	637	09/01/97	09/30/07	17.82	9,920	176,795	176,796	1	0	176,796	0
South Bend	666	11/01/99	10/31/09	17.14	4,015	68,814	71,626	2,812	1,403	73,029	1,403
Spokane	326	08/01/99	07/31/04	13.95	31,069	433,413	493,014	59,601	4,418	498,432	5,418
Spokane	379	07/01/00	06/30/05	14.25	1,488	20,917	20,916	(1)	0	24,048	3,132
Spokane	443	10/01/01	09/30/06	16.88	35,000	590,697	590,700	3	0	657,156	66,456
Spokane	468	05/01/03	04/30/08	16.10	28,209	454,165	454,164	(1)	0	454,164	0
Spokane	654	10/01/03	09/30/08	18.50	3,917	72,463	72,468	5	0	72,468	0
Spokane	801	09/01/00	08/30/10	16.74	7,965	133,339	133,344	5	12,133	147,903	14,559
Spokane	801	09/01/00	08/30/10	16.74	31,586	528,758	528,756	(2)	48,130	586,512	57,756
Spokane	978	10/01/03	09/30/08	8.14	4,365	35,510	35,508	(2)	0	35,508	0
Stevenson	617	05/01/97	04/30/12	16.16	2,782	44,958	44,964	6	0	44,964	0
Sunnyside	688	05/01/98	04/30/08	12.69	17,071	216,637	216,636	(1)	0	216,636	0
Sunnyside	688	05/01/98	04/30/08	12.69	1,195	15,167	15,168	1	0	15,168	0
Tacoma	233	02/01/87	01/31/13	20.61	27,985	576,683	593,988	17,305	17,820	611,808	17,820
Tacoma	233	02/01/87	01/31/13	20.61	31,197	642,859	662,148	19,289	19,860	682,008	19,860

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M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
Tacoma		233	02/01/87	01/31/13	20.61	3,517	72,479	74,652	76,896	2,244	Lease Step 7/1/04 & 7/1/05
Tacoma		532	06/01/93	05/31/13	27.48	44,227	1,215,219	1,215,216	1,215,216	0	
Tacoma		532	06/01/93	05/31/13	27.48	2,856	78,478	78,480	78,480	0	
Tacoma		532	06/01/93	05/31/13	27.48	19,647	539,833	539,832	539,832	0	
Tacoma		562	08/01/02	07/30/12	18.69	30,000	560,700	628,200	650,700	22,500	Lease Step 10/1/04
Tumwater		851	01/01/02	12/31/11	20.13	30,109	606,024	606,024	606,024	0	Lease Step 1/1/07
Tumwater		851	01/01/02	12/31/11	20.13	1,123	22,602	22,608	22,608	0	Lease Step 1/1/07
Tumwater		851	01/01/02	12/31/11	20.13	1,193	24,015	24,012	24,012	0	Lease Step 1/1/07
Vancouver		260	08/01/01	07/31/13	18.69	1,739	32,495	32,496	32,496	0	Changed to reflect lease value
Vancouver		570	08/01/01	07/31/11	16.98	33,983	577,031	577,032	577,032	0	Lease Step 8/1/06
Vancouver		889	04/01/02	04/30/12	20.94	34,688	726,528	726,528	726,528	0	Lease Adjustment 5/1/07
Walla Walla		486	04/01/04	03/31/09	14.59	15,070	219,817	219,816	219,816	0	Changed to reflect lease value
Wapato		523	09/01/03	08/31/08	14.94	16,105	240,605	240,600	240,600	0	Changed to reflect lease value
Wenatchee		277	11/01/03	10/31/08	17.19	15,611	268,347	268,344	268,344	0	Changed to reflect lease value
Wenatchee		615	09/01/96	08/31/06	16.12	1,703	29,274	29,280	29,280	0	Changed to reflect lease value
White Salmon		278	01/01/03	12/31/08	14.03	12,870	207,464	207,468	207,468	0	
Yakima		282	05/27/99	06/30/19	13.54	2,550	35,770	35,772	35,772	0	
Yakima		282	05/27/99	06/30/19	13.54	15,246	206,392	212,580	218,952	6,372	Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima		282	05/27/99	06/30/19	13.54	1,782	24,124	24,840	25,584	744	Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima		282	05/27/99	06/30/19	13.54	8,712	117,938	121,476	125,124	3,648	Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima		282	05/27/99	06/30/19	13.54	1,980	26,804	27,612	28,440	828	Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima		282	05/27/99	06/30/19	13.54	13,860	187,629	193,260	199,056	5,796	Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima		282	05/27/99	06/30/19	13.54	19,998	270,722	278,844	287,208	8,364	Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima		282	05/27/99	06/30/19	13.54	891	12,062	12,420	12,792	372	Lease Step 7/1/04, 7/1/05 & 7/1/06
Total					18.71	1,658,504	31,028,927	31,532,977	32,080,860	547,883	
Increase/Annual Total						Fastrack: 32,097,784			Rounded: 548,000	1,299,817	
										1,300,000	
070	Arlington	848	08/01/00	07/31/10	21.00	896	18,817	18,816	19,844	1,028	Lease Step 8/1/05
Lacey-hqt		460	03/01/02	02/28/07	16.19	23,926	387,356	387,360	387,360	0	
Spokane		839	04/01/00	03/31/05	14.36	773	11,100	11,517	12,768	1,251	
Tacoma		532	06/01/93	05/31/13	27.44	260	7,134	7,140	7,140	0	
Yakima		282	05/27/99	06/30/19	13.54	396	5,361	5,520	5,688	168	Lease Step 7/1/04, 7/1/05 & 7/1/06
Total					16.37	26,251	429,768	430,353	432,800	2,447	
Increase/Annual Total						Fastrack: 335,762			Rounded: 2,000	22,076	
										22,000	
080	Lacey-hqt	892	09/01/01	08/31/06	16.84	20,644	347,583	347,580	347,580	0	
Monroe		516	07/01/98	06/30/08	21.03	705	14,825	14,820	14,820	0	
Mount Vernon		655	01/01/98	11/30/07	15.69	1,437	22,547	22,548	22,548	0	
Olympia-hqt		164	01/01/96	12/31/05	14.51	80,100	1,162,209	1,162,212	1,249,380	87,168	
Olympia-hqt		515	07/01/02	06/30/07	17.09	25,304	432,445	432,444	432,444	0	
Olympia-hqt		600	04/01/02	03/31/07	16.01	33,688	539,345	539,340	539,340	0	
Olympia-hqt		682	04/01/02	03/31/07	16.01	9,403	150,542	150,540	150,540	0	
Seattle		904	12/01/01	06/30/11	29.58	17,972	531,612	531,612	531,612	0	
Spokane		726	10/01/02	09/30/07	18.50	15,962	295,297	295,296	295,296	0	
Tacoma		532	06/01/93	05/31/13	27.49	173	4,756	4,752	4,752	0	
Tumwater-hqt		701	03/01/99	02/28/09	14.95	37,488	560,446	612,924	612,924	0	

2005-07 Biennium
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Count #	Begin	End	Cost/ SOFT	SOFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
Yakima		282	05/27/99	06/30/19	13.54	198	2,680	2,760	2,844	2,928	
Total					16.72	243,074	4,064,287	4,116,828	4,204,080	4,430,385	168 Lease Step 7/1/04, 7/1/05 & 7/1/06
Increase/Annual Total						Fastrack:	4,615,765		Rounded: 87,000	Rounded: 314,000	
100											
Aberdeen		514	01/01/98	03/31/03	14.01	1,126	15,775	15,780	15,780	15,780	0
Arlington		848	08/01/00	07/31/10	20.99	1,942	40,770	40,776	42,995	43,197	2,421 Lease Step 8/1/05
Bellevue		632	03/01/96	02/28/06	21.70	2,941	63,823	63,828	67,020	73,404	9,576
Bellingham		106	07/01/03	06/30/13	18.81	3,527	66,339	66,336	66,336	66,336	0
Bremerton		678	09/01/99	08/31/04	15.25	6,500	99,125	111,510	113,988	113,988	2,478
Centralia		689	06/01/03	05/31/08	15.00	2,377	35,651	35,652	35,652	35,652	0
Clarkston		575	02/01/00	01/31/05	15.20	459	6,979	7,419	8,028	8,028	609
Colville		685	04/01/03	03/31/08	15.83	1,339	21,196	21,192	21,192	21,192	0
Ellensburg		122	05/01/01	04/30/06	17.85	401	7,158	7,164	7,344	8,244	1,080
Everett		127	07/01/02	06/30/10	21.00	6,888	144,661	144,660	160,635	160,635	15,975 Lease Step 7/1/05
Grandview (West)		627	07/01/97	06/30/07	16.19	104	1,684	1,680	1,680	1,680	0
Kelso		563	11/01/00	12/31/15	14.93	840	12,541	12,839	13,139	13,139	299
Kennewick		724	10/01/99	09/30/04	14.64	4,437	64,958	72,264	74,700	74,700	2,436
Kent		831	06/01/00	05/31/05	30.86	4,676	144,306	146,116	165,960	165,960	19,844
Lacey		509	10/01/02	09/30/07	16.19	7,070	114,463	114,468	114,468	114,468	0
Lacey-hqt		455	03/01/02	01/01/07	17.51	239	4,185	4,188	4,188	4,448	260
Lacey-hqt		455	03/01/02	01/01/07	17.49	299	5,231	5,232	5,232	5,557	325
Lacey-hqt		460	03/01/02	02/28/07	16.19	9,524	154,190	154,188	154,188	161,896	7,708
Long Beach		854	12/31/00	11/30/10	18.87	93	1,755	1,752	1,752	1,752	0
Lynnwood		643	07/01/99	06/30/09	20.73	3,519	72,935	72,936	72,936	72,936	0
Moses Lake		154	08/01/95	07/31/05	13.80	1,038	14,321	14,316	16,285	16,464	2,148
Mount Vernon		687	03/01/03	01/31/05	18.72	2,660	49,795	52,915	57,276	57,276	4,361
Newport		603	09/01/95	08/31/05	16.65	78	1,299	1,296	1,456	1,488	192
Oak Harbor		566	08/01/01	07/31/06	16.35	472	7,716	7,716	7,716	8,772	1,056
Port Angeles		838	05/01/00	04/30/05	14.79	1,411	20,869	21,390	24,000	24,000	2,610
Port Townsend		181	10/01/98	03/31/04	17.19	80	1,375	1,584	1,584	1,584	0
Port Townsend		864	08/01/02	05/31/06	14.66	887	13,005	13,008	13,171	14,964	1,956
Pullman		870	07/01/02	06/30/07	15.54	1,521	23,636	23,640	23,640	23,640	0
Puyallup		554	12/01/99	11/30/04	17.99	3,768	67,794	73,736	77,976	77,976	4,240
Republic		642	08/01/03	07/31/08	14.89	123	1,832	1,836	1,836	1,836	0
Seacac		857	04/01/00	03/31/05	0.43	4,622	2,002	2,079	2,304	2,304	225
Seattle		202	12/01/98	04/30/14	19.20	4,439	85,221	85,224	85,224	85,224	0
Seattle		482	06/01/00	05/31/05	23.22	5,348	124,200	125,753	142,836	142,836	17,083
Seattle		763	09/01/98	08/31/03	18.24	6,891	125,683	125,688	125,688	125,688	0
Seattle		763	09/01/98	08/31/03	18.25	235	4,289	4,284	4,284	4,284	0
Seattle		915	07/01/03	06/30/08	23.48	919	21,578	21,576	21,576	21,576	0
Seattle		916	07/01/03	06/30/08	22.19	4,168	92,480	92,484	92,484	92,484	0
Shelton		637	09/01/97	09/30/07	17.83	535	9,537	9,540	9,540	9,540	0
Shelton		914	12/01/02	11/30/07	17.19	2,263	38,901	38,904	38,904	38,904	0
South Bend		666	11/01/99	10/31/09	17.15	301	5,161	5,371	5,477	5,477	106 Lease Step 11/1/04
Spokane		790	04/01/04	03/31/09	18.40	10,240	188,416	188,412	188,412	188,412	0 Changed to reflect lease value
Tacoma		187	02/01/80	06/30/05	18.54	2,697	50,002	50,004	57,504	57,504	7,500
Tacoma		233	02/01/87	01/31/13	20.61	8,258	170,169	175,272	180,528	180,528	5,256 Lease Step 7/1/04 & 7/1/05
Vancouver		734	08/01/03	07/31/13	18.19	6,486	117,980	117,984	117,984	117,984	0

2005-07 Biennium

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes	
Prog												
	Walla Walla	486	04/01/04	03/31/09	14.59	2,989	43,595	43,596	1	43,596	0	43,596
	Wapato	523	09/01/03	08/31/08	14.94	2,027	30,288	30,288	(0)	30,288	0	30,288
	Wenatchee	473	04/01/02	03/31/07	16.84	2,358	39,243	39,240	(3)	39,240	0	40,713
	Yakima	282	05/27/99	06/30/19	13.54	4,554	61,650	63,504	1,854	65,412	1,908	67,380
	Total				17.83	139,669	2,489,762	2,530,621	40,859	2,623,434	92,814	2,645,714
	Increase/Annual Total					Fastrack:	2,571,278		Rounded:	93,000	Rounded:	115,093
												115,000
	Bellingham	106	07/01/03	06/30/13	18.82	235	4,423	4,428	5	4,428	0	4,428
	Everett	127	07/01/02	06/30/10	21.01	1,561	32,790	32,796	6	36,411	3,615	36,411
	Kelso	563	11/01/00	12/31/15	14.93	280	4,180	4,278	98	4,380	102	4,380
	Kennewick	548	12/01/03	11/30/08	8.82	208	1,835	1,836	1	1,836	0	1,836
	Lacey-hqt	460	03/01/02	02/28/07	16.19	6,338	102,615	102,612	(3)	102,612	0	107,744
	Lacey-hqt	460	03/01/02	02/28/07	16.21	232	3,761	3,756	(5)	3,756	0	3,944
	Lacey-hqt	759	04/01/99	03/31/09	18.24	54,788	999,333	999,336	3	999,336	0	999,336
	Lacey-hqt	760	05/01/99	04/30/09	18.24	27,394	499,667	499,668	1	499,668	0	499,668
	Lacey-hqt	760	05/01/99	04/30/09	18.24	27,394	499,667	499,668	1	499,668	0	499,668
	Lakewood	852	08/01/00	07/31/05	16.19	3,863	62,542	62,544	2	71,146	8,602	71,928
	Mount Vernon	655	01/01/98	11/30/07	15.66	144	2,255	2,256	1	2,256	0	2,256
	Olympia-hqt	459	01/01/01	12/31/05	14.86	4,192	62,293	62,292	(1)	66,966	4,674	71,640
	Omak	385	05/01/01	04/30/06	16.79	194	3,257	3,252	(5)	3,334	82	3,744
	Pasco	175	10/01/98	11/30/04	14.10	131	1,847	2,009	162	2,124	115	2,124
	Seattle	202	12/01/98	04/30/14	19.19	666	12,783	12,780	(3)	12,780	0	12,780
	Shelton	409	12/01/03	11/30/06	17.53	2,400	42,080	42,084	4	42,084	0	45,766
	Spokane	379	07/01/00	06/30/05	14.25	2,678	38,160	38,160	0	43,884	5,724	43,884
	Spokane	833	02/01/00	01/31/05	16.50	680	11,220	11,920	700	12,900	980	12,900
	Spokane	887	05/01/01	04/30/06	16.00	2,510	40,160	40,164	4	41,168	1,004	46,188
	Sunnyside	688	05/01/98	04/30/08	12.64	100	1,264	1,260	(4)	1,260	0	1,260
	Tacoma	228	10/01/00	09/30/05	12.24	12,760	156,182	156,180	(2)	173,748	17,568	179,604
	Tacoma	532	06/01/93	05/31/13	27.46	433	11,891	11,892	1	11,892	0	11,892
	Tacoma	532	06/01/93	05/31/13	27.48	1,731	47,562	47,568	6	47,568	0	47,568
	Turnwater	347	06/01/03	05/31/08	5.03	60,000	301,608	301,608	0	301,608	0	301,608
	Wapato	523	09/01/03	08/31/08	14.94	205	3,063	3,060	(3)	3,060	0	3,060
	Wapato	523	09/01/03	08/31/08	12.39	114	1,413	1,416	3	1,416	0	1,416
	Yakima	282	05/27/99	06/30/19	13.54	594	8,041	8,280	239	8,532	252	8,784
	Yakima	816	07/01/00	06/30/05	18.69	2,050	38,315	38,316	1	44,064	5,748	44,064
	Total				14.00	214,019	2,996,775	2,997,987	1,212	3,046,452	48,465	3,072,448
	Increase/Annual Total					Fastrack	2,997,014		Rounded:	49,000	Rounded:	74,461
												74,000
	DSHS Total			345.00	18.09	3,551,112	64,229,617	65,164,515	934,897	66,478,482	1,313,967	67,859,200
	Increase/Annual Total			349.96	18.35	3,551,112	65,164,515		Rounded:	1,314,000	Rounded:	2,694,685
				0.00	-	3,551,112	0					2,695,000
				#DIV/0!	-	3,551,112	0					68,618,301
						Fastrack:	65,034,338					Bow Wave @ 61% State
												Bow Wave @ 61% State

Department of Social and Health Services

DP Code/Title: M2-FD Wide Area Network (WAN) Usage

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) is requesting funding to upgrade the Wide Area Network (WAN) infrastructure.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	122,000	79,000	201,000
Total Cost	122,000	79,000	201,000

Staffing

Package Description:

DSHS is requesting upgrades to the WAN core infrastructure to accommodate increased growth of network traffic. This increase in traffic is being created by additional applications using the WAN to provide direct client services.

Many of these heavy network demands are related to the availability and distribution of new Web centric technology. As these new or updated applications are implemented, available bandwidth on the network has become saturated and performance has degraded. Delays and bottlenecks occur, resulting in increased processing time for client services and longer outages. This item replaces equipment and bandwidth that was designed and/or implemented approximately nine years ago. Most of the affected equipment has a projected industry life cycle of three years.

The network structure originating from 250 DSHS offices to the core shared bandwidth is currently oversubscribed by an average ratio of 6:1. This oversubscription is causing major delays, hours of troubleshooting and lost productivity. Newer high speed bandwidth options will help reduce the oversubscription more efficiently than using a "band aid" approach with older technology.

This upgrade will give DSHS the capability to serve clients and constituents in a more efficient manner. Replacing this equipment now will avoid outages and costly repairs due to outdated equipment. Additionally, from a resource perspective, it will become more cumbersome and expensive to add to our outdated network as compared to available newer offerings.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Agency Strategic Plan Goal C: Improve accessibility and service integration.

Agency Strategic Plan Goal D: Improve customer services.

This infrastructure upgrade will allow DSHS to cost effectively implement the required core shared infrastructure and bandwidth to support the direction from both the Governor's Office to streamline government through the use of technology and the Washington State Digital plan.

This infrastructure upgrade supports the DSHS program areas and allows the Information System Services Division (ISSD) to meet the core values of its strategic plan as follows:

Department of Social and Health Services

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- Ensures ISSD information technology direction is aligned with the department's overall plan,
- Allows delivery of efficient and cost effective information technology solutions that will allow DSHS staff to effectively deliver services to clients,
- Improves network capacity while ensuring accurate communications of information, and
- Upgrades the network infrastructure to keep pace with new and rapidly changing applications.

Performance Measure Detail

Program: 100

Activity: J102 Vocational Rehabilitation Projects and Grants

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Activity: J103 Vocational Rehabilitation Administration

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Activity: J104 Vocational Rehabilitation Counseling and Guidance

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Activity: J105 Vocational Rehabilitation Direct Client Services

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Reason for change:

Technology has changed and the demand for more networking capacity has increased as DSHS program areas are using new tools to improve and deliver client services more efficiently. The infrastructure currently in place has been used for at least nine years and is not current with newer technology capabilities requirements. There is a high risk of increased and longer duration outages.

Upgrading the infrastructure will allow DSHS to cost effectively increase WAN capacity to meet the emerging business requirements of the agency. More importantly, this upgrade will give DSHS the flexibility and growth driven by new technology and business requirements to meet the agency's business goals.

This infrastructure upgrade also allows DSHS program areas to implement new applications and upgrade older Legacy systems such as but not limited to:

- Customer call centers for faster and more efficient customer service,
- Interactive Voice Response systems so clients can get their client and eligibility information 24-hours a day using their telephone,
- Interactive and static Internet Web pages that provide 24-hour service and save clients from traveling to a Community Service Office (CSO),
- Video services for client interviews at DSHS CSO outstations that do not have the staff to perform these functions at their small facilities,
- Digital sharing and storing of documents, reducing time and costs associated with paper documents, and
- Upgrade legacy batch and mainframe screen systems to Web centric solutions.

Impact on clients and services:

Upgrading the WAN infrastructure will allow all program areas within DSHS to implement applications that improve service delivery to clients. All program areas within DSHS are currently either working on initiatives and/or plans that will improve service delivery to customers that use newer technology. Examples of these initiatives within DSHS that demand additional WAN capacity are:

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Program Level - 100 Vocational Rehabilitation

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Economic Service Administration (ESA)

Customer Call Centers that will use the DSHS WAN for both voice and video to allow clients access to their information and a caseworker from their telephone and to receive services without traveling to a DSHS office.

ESA, Division of Child Support (DCS), Social Services Payment System (SSPS)

Interactive Voice Response systems (IVR) that connect the client to their information using their telephone without staff intervention. This allows 24-hour access to client information.

Children's Administration, Division of Developmental Disabilities, ESA/DCS, Financial Services Administration

Interactive and static Web pages that allow clients and providers to conduct business with DSHS and receive information on services available and how to receive those services.

Office of Deaf & Hard of Hearing, ESA/DCS

Implement video conferencing to deliver client services, reduces the need for translators in the field for clients and reduces the need to staff small outstations with additional staff.

Impact on other state programs:

Upgrading the WAN infrastructure will allow all program areas within DSHS to implement applications that improve service delivery to clients. All program areas within DSHS are currently either working on initiatives and/or plans that will improve service delivery to customers that use newer technology. Examples of these initiatives within DSHS that demand additional WAN capacity are:

Economic Service Administration (ESA)

Customer Call Centers that will use the DSHS WAN for both voice and video to allow clients access to their information and a caseworker from their telephone and to receive services without traveling to a DSHS office.

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Interactive and static Web pages that allow clients and providers to conduct business with DSHS and receive information on services available and how to receive those services.

Office of Deaf & Hard of Hearing, ESA/DCS

Implement video conferencing to deliver client services, reduces the need for translators in the field for clients and reduces the need to staff small outstations with additional staff.

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The two available options are: 1) To continue with the current infrastructure, and 2) Implement the upgrade. If DSHS continues with the current infrastructure, it will be unable to meet the agency's business requirements as more demands and requirements are expected of the network.

Department of Social and Health Services

DP Code/Title: M2-FD Wide Area Network (WAN) Usage

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

If the network infrastructure is upgraded, the current network platform would be combined with newer technology provided through the Department of Information Services (DIS). This would leverage current investment and allow use of an installed Frame Relay network consolidating the network hubs together with network offerings including fiber optics, Asynchronous Transfer Mode (ATM), and Digital Subscriber Lines (DSL). In this manner, our shared bandwidth would be consolidated into a more cost effective, expandable resource for all program areas statewide within DSHS. This option allows DSHS to scale the network to fit current demands and allows for cost effective growth as required.

Budget impacts in future biennia:

Increased costs for WAN will continue into future biennia.

Distinction between one-time and ongoing costs:

This request is for one-time costs of \$2,155, 000 and ongoing costs of \$2,135,000 for implementing new equipment, circuits, and high speed network offerings. The result of installing this upgrade will allow DSHS to manage and maintain a robust network that can support varied and complex applications instead of the current aging infrastructure

Effects of non-funding:

The effects of non-funding will affect all program areas and their clients within DSHS and the state of Washington. Many new applications are being implemented that degrade the existing infrastructure. Increased use of staff resources for trouble shooting, slow response times and application timeouts are common due to the non-performance of the current network platform.

Additionally, client services and staff support will be negatively impacted if the upgrade is not deployed. Activities such as determining a client's eligibility, insuring the safety of a child, collecting child support and making timely payments to DSHS contracted providers could be delayed or not successfully completed as required by law, resulting in possible litigation and/or loss of funding.

Expenditure Calculations and Assumptions:

See attachment - AW M2-FD Wide Area Network (WAN) Usage.xls

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects				
T	Intra-Agency Reimbursements	122,000	79,000	201,000
<u>DSHS Source Code Detail</u>				
Program 100		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011	General Fund State	122,000	79,000	201,000
Total for Fund 001-1		122,000	79,000	201,000
Total Program 100		122,000	79,000	201,000

**2005-07 Biennium
ML-FD Wide Area Network (WAN) Usage**

Fiscal Year 2006				
	Device Count	Percent	Distribution	Rounded (to \$1000)
010 Children and Family Services	3,697	16.02%	\$ 527,113	\$ 527,000
020 Juvenile Rehabilitation	798	3.46%	113,778	114,000
030 Mental Health	1,174	5.09%	167,387	167,000
030 MHD SCC	289	1.25%	41,205	41,000
040 Developmental Disabilities	1,705	7.39%	243,096	243,000
050 Aging and Adult Services	2,255	9.77%	321,515	322,000
060 Economic Services	10,184	44.13%	1,452,020	1,453,000
070 Alcohol and Substance Abuse	114	0.49%	16,254	16,000
080 Medical Assistance	1,005	4.36%	143,291	143,000
100 Vocational Rehabilitation	858	3.72%	122,332	122,000
110 Administration and Supporting Services	996	4.32%	142,008	142,000
Total	23,075	100.00%	\$ 3,290,000	\$ 3,290,000
Fiscal Year 2007				
010 Children and Family Services	3697	16.02%	\$ 342,063	\$ 342,000
020 Juvenile Rehabilitation	798	3.46%	\$ 73,834	74,000
030 Mental Health	1174	5.09%	\$ 108,624	109,000
030 MHD SCC	289	1.25%	\$ 26,740	27,000
040 Developmental Disabilities	1705	7.39%	\$ 157,754	158,000
050 Aging and Adult Services	2255	9.77%	\$ 208,642	209,000
060 Economic Services	10184	44.13%	\$ 942,268	941,000
070 Alcohol and Substance Abuse	114	0.49%	\$ 10,548	11,000
080 Medical Assistance	1005	4.36%	\$ 92,987	93,000
100 Vocational Rehabilitation	858	3.72%	\$ 79,386	79,000
110 Administration and Supporting Services	996	4.32%	\$ 92,154	92,000
Total	23075	100.00%	\$ 2,135,000	\$ 2,135,000

2005-07 Biennium

M2-FD Wide Area Network (WAN) Usage

	One Time Costs	Recurring Year 1	Recurring Year 2	Recurring/ On going
Wide Area Network Equipment (WAN)				
Routers (approximately 80)	\$700,000	\$10,000	\$10,000	\$10,000
Switches (approximately 50)	\$300,000	\$10,000	\$10,000	\$10,000
WAN Circuit upgrades				
Additional circuits (Permanent Virtual Circuits)	\$125,000	\$75,000	\$75,000	\$75,000
Increased network capacity	\$400,000	\$1,000,000	\$2,000,000	\$2,000,000
Core Equipment upgrade & management tools				
Routers, Switches, Uninterrupted Power Supplies, misc. items as needed	\$450,000	\$10,000	\$10,000	\$10,000
Metropolitan Area Network (MAN)				
Upgrade & expand high speed services	\$180,000	\$30,000	\$30,000	\$30,000
Totals:	\$2,155,000	\$1,135,000	\$2,135,000	\$2,135,000

\$2.155 million ~ One Time Costs

\$1.135 million ~ Recurring Costs ~ Year 1

\$2.135 million ~ Recurring Costs ~ Year 2

WAN: References remote sites within DSHS ie: Spokane CSO, Everett DCFS, etc.

MAN: References Lacey, Olympia, Tumwater Headquarters ie: Lacey Government Center, MAA, etc.

Core: References OB2 network equipment providing WAN & MAN termination points

Circuits/Bandwidth: Provided by DIS, Qwest, Comcast, & 3rd party vendors which allows data communication statewide.

Department of Social and Health Services

DP Code/Title: M2-JA Vocational Rehab Grants

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

This item requests the estimated federal authority needed to capture all available federal grant funds and the required state match. The Basic Support Grant is a lidded formula grant with annual adjustments based on per capita income and population.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	269,000	585,000	854,000
001-2 General Fund - Basic Account-Federal	(798,000)	367,000	(431,000)
Total Cost	(529,000)	952,000	423,000

Staffing

Package Description:

Through the Basic Support Services Grant, the Division of Vocational Rehabilitation (DVR) provides basic support services to assist people with disabilities to prepare for, obtain and retain employment.

It is estimated DVR will receive approximately a 3 percent increase each federal fiscal year in the Basic Support Grant. The federal authority and state match are needed to meet projected levels of service.

DVR also receives funding for other grants related to vocational rehabilitation: Independent Living, Supported Employment, and In-service Training. DVR requires federal authority and state match to fully utilize these grants.

DVR received funding for an Assistive Technology (AT) grant during past biennia. The AT grant has since been transferred to the University of Washington. The amount of federal authority DVR will need during the 2005-07 Biennium is reduced due to the transfer of this grant.

This change impacts DVRs activity inventory item, Direct Client Services.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Agency Strategic Plan Goal F- Improve Financial Resource Management.

This supports DVR's goal to provide vocational rehabilitation services that result in employment, which promotes self-sufficiency and self determination for persons with disabilities.

Performance Measure Detail

Program: 100

Activity: J105 Vocational Rehabilitation Direct Client Services

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Reason for change:

To capture estimated federal grant increases of 3 percent each federal year.

Department of Social and Health Services

DP Code/Title: M2-JA Vocational Rehab Grants

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Impact on clients and services:

Under current federal law, DVR must accept all applications for DVR services and complete a timely eligibility study. DVR cannot currently meet the potential demand for services with current available state funding, therefore it is critical that federal funding is maximized. Basic support services are essential to DVR clients, and enables them to pursue employment and training opportunities that would otherwise be beyond their reach. The requested funding will enable DVR to continue to provide necessary services and will maximize the amount of federal funds earned by the state.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

While order of selection is in effect, DVR is prohibited from giving any preferential treatment to specific disability groups or agency referrals. The counties and regional support networks have no incentive to provide local dollars for DVR's match and DVR cannot meet the expectations for priority services to inter-agency referrals.

Budget impacts in future biennia:

This increase in state appropriation and decrease in federal funds would carry forward into future biennia. DVR anticipates further grant increases in future biennia based on the grant increase trends.

Distinction between one-time and ongoing costs:

The changes in funding would be ongoing in future biennia. No one-time costs.

Effects of non-funding:

Without the additional state funds DVR could not earn \$3.3 million federal, and would not be able to serve approximately 5,000 individuals.

Expenditure Calculations and Assumptions:

The estimated dollars needed for the 2003-05 Biennium is based on the percent of increases, VR received for 1997-2004.

FFY 1997	\$32,638,609	3.5%
FFY 1998	\$34,227,288	4.9%
FFY 1999	\$35,263,826	3.0%
FFY 2000	\$35,648,003	1.1%
FFY 2001	\$36,418,814	2.2%
FFY 2002	\$36,598,501	.5%
FFY 2003	\$36,660,020	.2%
FFY 2004	\$37,798,136	3.1%

Department of Social and Health Services

DP Code/Title: M2-JA Vocational Rehab Grants
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

See attachment - M2-JA Vocational Rehab Grants.xls.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects			
N Grants, Benefits & Client Services	(529,000)	952,000	423,000
<u>DSHS Source Code Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	269,000	585,000	854,000
<i>Total for Fund 001-1</i>	<u>269,000</u>	<u>585,000</u>	<u>854,000</u>
Fund 001-2, General Fund - Basic Account-Federal			
<u>Sources Title</u>			
126F Rehabilitation Svs - Basic Supp (A) (78.7%)	(798,000)	367,000	(431,000)
<i>Total for Fund 001-2</i>	<u>(798,000)</u>	<u>367,000</u>	<u>(431,000)</u>
Total Program 100	<u>(529,000)</u>	<u>952,000</u>	<u>423,000</u>

Department of Social and Health Services

DP Code/Title: M2-JA Vocational Rehab Grants

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

This item requests the estimated federal authority needed to capture all available federal grant funds and the required state match. The Basic Support Grant is a lidded formula grant with annual adjustments based on per capita income and population.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	269,000	585,000	854,000
001-2 General Fund - Basic Account-Federal	(798,000)	367,000	(431,000)
Total Cost	(529,000)	952,000	423,000

Staffing

Package Description:

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This change impacts DVRs activity inventory item, Direct Client Services.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Agency Strategic Plan Goal F- Improve Financial Resource Management.

This supports DVR's goal to provide vocational rehabilitation services that result in employment, which promotes self-sufficiency and self determination for persons with disabilities.

Performance Measure Detail

Program: 100

Activity: J105 Vocational Rehabilitation Direct Client Services

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Reason for change:

To capture estimated federal grant increases of 3 percent each federal year.

Department of Social and Health Services

DP Code/Title: M2-JA Vocational Rehab Grants
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Impact on clients and services:

Under current federal law, DVR must accept all applications for DVR services and complete a timely eligibility study. DVR cannot currently meet the potential demand for services with current available state funding, therefore it is critical that federal funding is maximized. Basic support services are essential to DVR clients, and enables them to pursue employment and training opportunities that would otherwise be beyond their reach. The requested funding will enable DVR to continue to provide necessary services and will maximize the amount of federal funds earned by the state.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

While order of selection is in effect, DVR is prohibited from giving any preferential treatment to specific disability groups or agency referrals. The counties and regional support networks have no incentive to provide local dollars for DVR's match and DVR cannot meet the expectations for priority services to inter-agency referrals.

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Distinction between one-time and ongoing costs:

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Without the additional state funds DVR could not earn \$3.3 million federal, and would not be able to serve approximately 5,000 individuals.

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FFY 2003	\$36,660,020	.2%
FFY 2004	\$37,798,136	3.1%

Department of Social and Health Services

DP Code/Title: M2-JA Vocational Rehab Grants
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

See attachment - M2-JA Vocational Rehab Grants.xls.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects			
N Grants, Benefits & Client Services	(529,000)	952,000	423,000
 <u>DSHS Source Code Detail</u>			
Program 100	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	269,000	585,000	854,000
<i>Total for Fund 001-1</i>	<u>269,000</u>	<u>585,000</u>	<u>854,000</u>
 Fund 001-2, General Fund - Basic Account-Federal			
<u>Sources Title</u>			
126F Rehabilitation Svs - Basic Supp (A) (78.7%)	(798,000)	367,000	(431,000)
<i>Total for Fund 001-2</i>	<u>(798,000)</u>	<u>367,000</u>	<u>(431,000)</u>
 Total Program 100	<u>(529,000)</u>	<u>952,000</u>	<u>423,000</u>

2005-07 Biennium
M2-JA Vocational Rehab Grants

Grant	GFS		Federal		GFS		Federal	
	GFS	Federal	GFS	Federal	GFS	Federal	GFS	Federal
Basic Support FFY05	2,634,223	9,733,020	-	-	2,634,223	9,733,020	-	-
Basic Support FFY06	8,139,748	30,075,032	2,713,250	10,025,011	10,852,998	40,100,043	2,713,250	10,025,011
Basic Support FFY07	-	-	8,383,940	30,977,283	8,383,940	30,977,283	8,383,940	30,977,283
Independent Living FFY 05	3,078	24,466	-	-	3,078	24,466	-	-
Independent Living FFY 06	9,511	75,600	3,170	25,200	12,681	100,800	3,170	25,200
Independent Living FFY 07	-	-	3,265	25,956	3,265	25,956	3,265	25,956
Supported Employment FFY 05	-	158,750	-	-	-	158,750	-	-
Supported Employment FFY 06	-	490,538	-	163,512	-	654,050	-	163,512
Supported Employment FFY 07	-	-	-	505,254	-	505,254	-	505,254
InServ. 06 (if grant continued)	9,702	87,318	-	-	9,702	87,318	-	-
InServ. 07 (if grant continued)	-	-	9,702	87,318	9,702	87,318	9,702	87,318
Social Security Reimb. 05	-	500,000	-	-	-	500,000	-	-
Social Security Reimb. 06	-	1,500,000	-	500,000	-	2,000,000	-	500,000
Social Security Reimb. 07	-	-	-	1,500,000	-	1,500,000	-	1,500,000
Term. Leave	61,000	31,000	61,000	31,000	122,000	62,000	122,000	62,000
Special	50,000	-	50,000	-	100,000	-	100,000	-
Total Estimated Apprn. Needed	10,907,262	42,675,724	11,224,327	43,840,534	22,131,589	86,516,258	22,131,589	86,516,258
Carry Forward Level	10,638,000	43,474,000	10,639,000	43,474,000	21,277,000	86,948,000	21,277,000	86,948,000
\$ needed	269,262	(798,276)	585,327	366,534	854,589	(431,742)	854,589	(431,742)

\$ 269,000 (798,000) \$ 585,000 \$ 367,000 \$ 854,000 \$ (431,000)

Rounded for Decision Package

State of Washington
Department of Social and Health Services
Recommendation Summary

Version: 11 - 2005-07 Agency Request Budget

Budget Period:2005-07
Budget Level Criteria: PL Only

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 100 - Vocational Rehabilitation					
PL - Performance Level					
8L Lease Rate Adjustments	0	0.0	2	0	2
9G FTE Staff Adjustment	0	(0.1)	0	0	0
9T Transfers	0	(0.3)	(26)	0	(26)
JB Reduce DVR Waiting List	0	0.0	6,000	0	6,000
JC Youth with Disabilities Employment	0	0.0	6,000	0	6,000
JD Mental Health Clubhouses	0	0.0	4,000	0	4,000
PA Electronic Intrusion Prevention	0	0.0	57	0	57
	SubTotal PL	(0.4)	16,033	0	16,033
Total Proposed PL Only Budget for Program 100 - Vocational Rehabilitation		(0.4)	16,033	0	16,033

Department of Social and Health Services

DP Code/Title: PL-8L Lease Rate Adjustments

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) is completing regional strategic plans for the usage of leased facilities. This effort has five goals. These goals include: using the DSHS lease budget efficiently, using space leased on behalf of DSHS efficiently; supporting integration of DSHS Services; maximizing collocation opportunities; and supporting a productive workforce.

Through this recent effort the regional DSHS workgroups have identified two site relocations in support of these goals. These sites are located in Moses Lake and Spokane. DSHS is requesting \$294,700 in support of this effort in the 2005-07 Biennium.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	0	2,000	2,000
Total Cost	0	2,000	2,000

Staffing

Package Description:

The current Moses Lake site is approximately 25,000 square feet and houses the Community Services Division, Division of Children and Family Services, Home and Community Services, Developmental Disability Services, and Division of Vocational Rehabilitation for an annual cost of \$350,000. The lease for this building expires in July of 2005 after a 10-year term. After lease renewal the cost for remaining at this site is expected to increase to \$402,000. The current site has not been well maintained by the landlord and is in need of significant maintenance. This includes poor Heating, Ventilation, & Air Conditioning (HVAC), bathroom tiles that are falling off the wall because of rotting walls behind them, and damaged carpet which is loose and could be a trip hazard. In addition, the site is not of adequate size to support anticipated future staffing growth and caseload growth in the Division of Children and Family Services and Aging and Adult Services.

The proposed relocation would expand the Moses Lake site to approximately 26,600 square feet. Relocation will remedy both of the issues identified above to support a productive workforce. This relocation will also support service integration and collocation of DSHS programs. The lease costs for a new site are approximately \$491,000 annually. This represents an increased lease cost of \$89,000 for DSHS annually. Anticipated relocation of this site would be in January 2007, following a short-term extension of the existing lease. The DSHS request at this time would be for \$44,600 for Fiscal Year 2007.

The Aging and Disabilities Services Administration Divisions of Home and Community Services and Developmental Disabilities in Spokane are currently located at two separate sites and total approximately 33,600 square feet for an annual cost of \$510,000. The leases for these buildings will soon have terms negotiated, which will allow the sites to be vacated any time after July of 2006. In Fiscal Year 2007 the cost for remaining at this site is expected to be \$543,000. The current Home and Community site is not suitable for long-term occupancy because of overcrowding and poor site maintenance. The carpet, tile and vinyl need replacement, walls need paint, overhead lighting needs to be upgraded, ting, Ventilation, & Air Conditioning system needs major repair, exhaust systems do not function well and pedestrian access to the site is poor due to damaged sidewalks. The current Division of Developmental Disabilities site does not support collocation or service integration of the Aging and Disabilities Service Administration.

The proposed relocation would create a collocated Aging and Disabilities Service Administration office in Spokane of approximately 39,800 square feet. Relocation will remedy the issues identified above to support a productive workforce. This relocation will also support increased service integration within DSHS. The lease costs for a new site are approximately \$815,900 annually. This represents an increased lease cost of \$272,800 for DSHS annually. Anticipated relocation of this

Department of Social and Health Services

DP Code/Title: PL-8L Lease Rate Adjustments

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

site would be in August of 2006. The DSHS request at this time would be for \$250,100 for Fiscal Year 2007.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This proposal meets the agency strategic planning goal of improved accessibility and service integration by creating improved collocations and opportunities for service integration in both Moses Lake and Spokane.

This strategic planning goal contributes to the following Priorities of Government (POG) results:

- Improve the health of Washington citizens,
- Improve the security of Washington's vulnerable children and adults, and
- Improve the safety of people and property.

This proposal supports Priorities of Government results:

#2 - Improve the quality and productivity of the workforce, and

#11 - Improve the ability of state government to achieve its results efficiently and effectively.

By applying the Leased Facilities Strategic planning goals of supporting a productive workforce, and using the DSHS budget and leased space as efficiently as possible, the POG results listed above are supported by the relocations of the Moses Lake and Spokane sites.

Performance Measure Detail

Program: 100

Activity: J103 Vocational Rehabilitation Administration

No measures linked to package

Incremental Changes

FY 1

0.00

FY 2

0.00

Reason for change:

Replacement sites in both Moses Lake and Spokane are expected to remedy the poor site conditions identified above. By resolving the site issues, staff productivity is expected to increase.

In addition to supporting a productive workforce, this relocation meets the four other DSHS goals of leased facilities strategic planning effort listed above. This relocation is expected to improve the square footage per person ratio to use DSHS leased facilities effectively. This proposal supports service integration and improves collocation. Finally, this option uses the DSHS Budget as efficiently as possible while remedying the remaining goals.

Impact on clients and services:

This change will improve office operations and workforce productivity by providing adequate work space for DSHS staff. Improved collocations in Moses Lake and Spokane are expected to improve services to clients through service integration. This proposal has positive impacts for clients, however, the current leased facilities landlords may oppose this proposal.

Impact on other state programs:

By relocating in Moses Lake to a site near the SkillSource, as is being requested, it is expected that client services will be improved for shared clients of DVR and SkillSource, as well as other shared clients between DSHS and the Skillsource.

Relationship to capital budget:

Department of Social and Health Services

DP Code/Title: PL-8L Lease Rate Adjustments

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

In Moses Lake and in Spokane remaining at the current sites was considered. This would not have remedied the poor site conditions listed above nor does it support anticipated staffing growth. The proposed option remedies both issues and improves workforce productivity.

In both areas, no increase in lease costs beyond maintenance levels would be needed to renew the site as-is, however, to remedy any of the site issues additional dollars would be needed, even in the current site.

Budget impacts in future biennia:

Budget impact is expected to be the ongoing lease costs for the Moses Lake site of \$89,000 for DSHS annually.
Budget impact is expected to be the ongoing lease costs for the Spokane site of \$272,800 for DSHS annually.

The total impact in future biennia is anticipated to be \$724,000 a biennium.

Distinction between one-time and ongoing costs:

There are no one-time costs identified.

Effects of non-funding:

If funding is not approved staff will be required to remain in their current location.

The Moses Lake and Spokane HCS sites are not suitable for long-term occupancy and the results could range from employee safety risks to significant staff overcrowding, which could cause air quality issues, and require the use of conference and training rooms to house staff.

Expenditure Calculations and Assumptions:

See attachment - AW PL-8L Lease Adjustments.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects			
E Goods And Services	0	2,000	2,000

Department of Social and Health Services

DP Code/Title: PL-8L Lease Rate Adjustments
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

DSHS Source Code Detail

Program 100		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011	General Fund State	0	2,000	2,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>2,000</u>	<u>2,000</u>
Total Program 100		<u>0</u>	<u>2,000</u>	<u>2,000</u>

2005-07 Biennium
PL-8L Lease Rate Adjustments

Moses Lake

New Space Allocations

Program	Site	Division	Sq. Ft.	% Share	Fiscal Year 2007	
					PL Request	Rounded
010	Moses Lake	DCFS	8,400	31.6%	\$14,071.23	14,000
040	Moses Lake	DDD	1,260	4.7%	\$2,110.68	2,000
050	Moses Lake	AAS	3,150	11.8%	\$5,276.71	5,000
060	Moses Lake	CSO	12,610	47.4%	\$21,123.60	21,000
060	Moses Lake	CCEL	200	0.8%	\$335.03	1,000
100	Moses Lake	DVR	1,000	3.8%	\$1,675.15	2,000
TOTAL			26,620	100.0%	\$44,592.40	45,000

Spokane

New Space Allocations

Program	Site	Division	Sq. Ft.	% Share	Fiscal Year 2007	
					PL Request	Rounded
040	Spokane	DDD	16,000	40.2%	\$100,526.37	100,000
050	Spokane	AAS	23,800	59.8%	\$149,532.97	150,000
TOTAL			39,800	100.0%	\$250,059.34	250,000

2005-07 Biennium

PL-8L Lease Rate Adjustments

Moses Lake

Lease Cost	\$	14.25
Tenant Improvements	\$	2.00
Operating Expenses	\$	2.19

New Site Expenses \$ 18.44

New Site Projected Sq Ft 26,620

Total New Annual Site Cost \$ 490,872.80

FY07 Maintenance Level \$ 401,688.00

Annual Increase-rounded \$ 89,184.80

DSHS Total Request \$ 44,600.00

Spokane ADSA

Full Service Lease Cost	\$	18.50
Tenant Improvements	\$	2.00
Operating Expenses	\$	-

New Site Expenses \$ 20.50

New Site Projected Sq Ft 39,800

Total New Annual Site Cost \$ 815,900.00

FY07 Maintenance Level \$ 543,108.00

Annual Increase \$ 272,792.00

DSHS Total Request \$ 250,100.00

Lease costs are based on current market rates. Tenant improvements are based on other DSHS leased facilities projects. Projected square footage is based on 200 square feet per staff person.

Department of Social and Health Services

DP Code/Title: PL-9G FTE Staff Adjustment
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

This decision package centralizes the Department of Social and Health Services (DSHS) background check Full-Time Equivalents (FTEs) in the Background Checks Central Unit (BCCU).

Fiscal Detail:

Operating Expenditures

FY 1 **FY 2** **Total**

Program Cost

Total Cost

Staffing

FY 1 **FY 2** **Annual Avg**
Program 100 FTEs (0.1) (0.1) (0.1)

Package Description:

The BCCU staff (15.6 FTEs) are funded by three different administrations and report to the Human Resources Division. Centralization of the FTEs will ensure maximum efficiency and consistency of services provided. With this centralization, the BCCU will also move to a chargeback methodology, based on the number of background checks conducted for each administration in DSHS. This methodology will avoid difficulties associated with the current method of a combination of direct charges and an outdated formula for determining amounts of time and effort associated with each program.

The total number of background checks performed each quarter will be divided by the total costs. Charges to each administration will be based on the actual number of background checks performed for that administration as a percentage of the total background checks performed for the agency.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Centralizing FTEs fosters the agency's goal to integrate and centralize services to maximize efficiencies throughout the department.

Performance Measure Detail

Program: 100

Activity: J103 Vocational Rehabilitation Administration

No measures linked to package

Incremental Changes
FY 1 **FY 2**
0.00 0.00

Reason for change:

Centralizing FTEs ensures consistency of services across the department. It eliminates the unnecessary step of transferring funding and provides an accounting for each program's background check usage, including the appropriate state/federal funding split.

Impact on clients and services:

Department of Social and Health Services

DP Code/Title: PL-9G FTE Staff Adjustment
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

The improved consistency of background checks will enable providers to be placed in service more efficiently, resulting in a positive benefit for the agency's vulnerable clients.

Impact on other state programs:

The programs depending on background check information for contracting with providers and hiring staff will benefit in more efficient background check turnaround.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

An option to centralizing the FTEs is to leave them spread out throughout the agency, based on the initial evaluation of the program. This adds extra steps in the unnecessary transferring of funds, has provided inequable charges to some administrations and savings to others, has hampered/reduced the ability of BCCU to respond to the needs of the department, and limited the ability to provide a comprehensive plan.

Budget impacts in future biennia:

This is a no impact decision package. The FTEs and associated costs change will continue.

Distinction between one-time and ongoing costs:

This is a no impact decision package.

Effects of non-funding:

Non-centralizing the FTEs is to leave them spread out throughout the agency, based on the initial evaluation of the program. This adds extra steps in the unnecessary transferring of funds, has provided inequable charges to some administrations and savings to others, has hampered/reduced the ability of BCCU to respond to the needs of the department, and limited the ability to provide a comprehensive plan.

Expenditure Calculations and Assumptions:

See attachment - AW PL-9G FTE Staff Adjustment.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
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Program Totals

Department of Social and Health Services

DP Code/Title: PL-9G FTE Staff Adjustment
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

DSHS Source Code Detail

		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund ,	<u>Sources Title</u>			
	<i>Total for Fund</i>			
	Total			
	Totals for all funds			

**2005-07 Biennium
PL-9G FTE Staff Adjustment**

Background Checks Centralized Unit
Cost allocation to programs comparison

Basis for 15.6 FTE distribution coming from programs

April 2004					FTEs: 17.6	
Program	FTEs*	Cases	%	Dist		
CA	3.50	3,957	20.37%	3.6		
DDD	0.00	1,827	9.40%	1.7		
LTC	2.12	7,819	40.25%	7.1		
ESA	5.57	4,434	22.82%	4.0		
Ex Mgt	0.00	0	0.00%	0.0		
BCCU	1.50	0	0.00%	0.0		
DVR	0.00	1,046	5.38%	0.9		
MHD	0.00	134	0.69%	0.1		
SCC	0.00	89	0.46%	0.1		
JRA	0.00	46	0.24%	0.0		
MAA	0.00	68	0.35%	0.1		
HRD	0.00	7	0.04%	0.0		
Total	12.69	19,427	100.00%	17.6		

*Disbursements only

June 2004					FTEs: 17.6	
Program	FTEs*	Cases	%	Dist		
CA	3.50	4,567	20.01%	3.5		
DDD	0.00	2,001	8.77%	1.5		
LTC	2.12	9,314	40.81%	7.2		
ESA	5.57	6,567	28.78%	5.1		
Ex Mgt	0.00	0	0.00%	0.0		
BCCU	1.50	0	0.00%	0.0		
DVR	0.00	21	0.09%	0.0		
MHD	0.00	146	0.64%	0.1		
SCC	0.00	63	0.28%	0.1		
JRA	0.00	55	0.24%	0.0		
MAA	0.00	84	0.37%	0.1		
HRD	0.00	3	0.01%	0.0		
Total	12.69	22,821	100.00%	17.6		

*Disbursements only

May 2004					FTEs: 17.6	
Program	FTEs*	Cases	%	Dist		
CA	3.00	4,106	20.95%	3.7		
DDD	0.00	1,820	9.28%	1.6		
LTC	2.00	8,729	44.52%	7.9		
ESA	6.14	4,645	23.70%	4.2		
Ex Mgt	0.00	0	0.00%	0.0		
BCCU	2.95	0	0.00%	0.0		
DVR	0.00	6	0.03%	0.0		
MHD	0.00	119	0.61%	0.1		
SCC	0.00	46	0.23%	0.0		
JRA	0.00	74	0.38%	0.1		
MAA	0.00	49	0.25%	0.0		
HRD	0.00	9	0.05%	0.0		
Total	14.09	19,603	100.00%	17.6		

*Disbursements only

Average April-June 2004 FTEs and Cases					17.5 (2.0)	
Program	FTEs	Cases**	%	Total FTEs	From Programs	
CA*	3.33	4,210	20.78%	3.6	(3.0)	
DDD	0.00	1,883	9.29%	1.6	(1.0)	
LTC*	2.08	8,621	42.55%	7.3	(5.5)	
ESA*	5.76	5,215	25.74%	4.5	(5.6)	
Ex Mgt	0.00	0	0.00%	0.0	0.0	
BCCU	1.98	0	0.00%	0.0	0.0	
DVR**	0.00	**	**	0.1	(0.1)	
MHD	0.00	133	0.66%	0.1	(0.1)	
SCC	0.00	66	0.33%	0.1	(0.1)	
JRA	0.00	58	0.29%	0.1	(0.1)	
MAA	0.00	67	0.33%	0.1	(0.1)	
HRD	0.00	6	0.03%	0.0	0.0	
Total	13.15	20,259	100.00%	17.5	(15.6)	

*Initial Allotments are: CA: 3.0 FTEs, LTC: 4.0 FTEs, ESA: 5.6 FTEs

**Cases total is without DVR; DVR set at 0.1 FTEs

Department of Social and Health Services

DP Code/Title: PL-9T Transfers

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

This decision package transfers funding and Full-Time Equivalents (FTEs) to centralize the funding for certain functions currently split among the Department of Social and Health Services (DSHS) Administrations.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	(13,000)	(13,000)	(26,000)
Total Cost	(13,000)	(13,000)	(26,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 100 FTEs	(0.3)	(0.3)	(0.3)

Package Description:

This decision package transfers staff between various programs within DSHS and Program 110. These transfers are for the Social Services Payment System (SSPS) Improvement Project, staff for the Travel Voucher System (TVS) Centralization, Building and Mail Services from Woodland Square, and Background Check funding.

1. Social Service Payment System

This decision package will stabilize the funding for staff used to maintain and enhance SSPS by transferring the funding for the 9.0 positions needed to maintain Invoice Express, Direct Deposit, Computer Output to Laser Disk (COLD) (thousands of reports on the web instead of on paper) and subsequent enhancements.

These positions are currently maintaining the 1999 through year 2000 enhancements that saved over one million dollars in their first year of implementation, which continues to enable Aging and Disability Services Administration (ADSA), the Economic Services Administration (ESA), and Children's Administration (CA) to avoid payment of nearly two million dollars of additional processing cost each subsequent year.

Currently, the administrations are returning up to one-half of each year's savings to pay for the 9.0 FTEs. These costs are charged to the administrations after-the-fact and administrations are unable to plan for the expenditures.

2. Travel Voucher System

DSHS Cabinet approved the centralization of travel processing and the utilization of the Office of Financial Management's statewide TVS. A transfer of 3.0 FTEs from the DSHS programs to Financial Services Administration (FSA) is necessary to implement TVS for all DSHS programs.

FSA is considered the agency subject matter expert in the application of travel regulations and in the development of travel policy. During 2003 an analysis was conducted on existing travel processes and to determine how the department performed decentralized travel processing. The department performed a cost/benefit analysis that assumed: 1) Centralized travel processing within the FSA, and 2) Implementation of OFM's Statewide TVS. That analysis indicated the department could increase the efficiency and consistency of business service delivery and maintain or improve existing levels of accountability. Based on that analysis the DSHS Cabinet approved the centralization of travel processing transfer to FSA and the implementation of OFM's statewide TVS for all DSHS programs.

In Fiscal Year 2004, DSHS Cabinet approved the centralization of travel processing and the agencywide utilization of the OFMs statewide TVS. The goals are to 1) increase the efficiency and consistency of business service delivery, and 2)

Department of Social and Health Services

DP Code/Title: PL-9T Transfers

Program Level - 100 Vocational Rehabilitation

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maintain or improve existing levels of accountability. To support centralized travel processing, a transfer of 3.0 FTEs from the DSHS programs to FSA is requested for one Financial Analyst 3 (Travel Administrator) and two Fiscal Technicians to process agency travel statewide.

The travel administrator will coordinate travel policy, provide ongoing travel training, and assume travel administrator responsibilities. The fiscal technicians will process agency travel, ensuring consistency in the application of travel regulations. Utilization of TVS will ensure more efficient and timely processing of travel payments.

The utilization of TVS will improve service delivery over the existing manual process as follows:

Average processing time (in minutes) with manual process: 28.0. Average processing time (in minutes) with TVS: 5.32. Time savings (in minutes): 22.68.

3. Building and Mail Management

Transferring the budget and FTEs will more efficiently and consistently fund the mail and facility management functions at Blake Office Park and Woodland Square. Funding is transferred from the benefitting programs to the Lands and Buildings Division (L&Bs) and the Management Services Fiscal Office (MSFO).

For a number of years, the L&B and the MSFO have provided building management and mail services to the tenants of the Blake Office Park and Woodland Square in Lacey. Each tenant division paid its share of the staff costs associated with providing these services. Occupancy of those facilities has been very stable during this time. However, certain factors are now poised to disrupt the smooth flow funding for these services.

A number of moves are scheduled, which will require new shares to be calculated and agreed to. More importantly, the department has recently implemented a policy, prompted by federal audit concerns, that requires staff funded by a number of other entities to complete time sheets each month. This process would then require cumbersome accounting corrections each month by journal voucher. To avoid these inefficiencies, the client divisions have agreed to transfer funding for these essential services to the Administration and Supporting Services program.

4. Transfer the M2-RA Criminal background checks funding from Program 110 to Long-Term Care (LTC). The approved methodology for accounting for background check costs requires the funding be attached to the programs requesting the background checks. The increase in background checks workload is primarily within LTC.

1-4. These transfers will rectify any possibility of a federal audit disallowance due to direct charging staff to programs without a proper cost allocation methodology.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This decision package contributes to the agency strategic plan by assisting FSA in improving processes that promote the efficient, effective, and prudent use of state resources.

1. The SSPS centralization contributes to the Statewide Results number 11 "improve the ability of state government to achieve its results efficiently and effectively."
2. The use of TVS is considered a statewide "best practice". Travel centralization supports the agency balanced scorecard by promoting integrated service delivery.
3. One of the program's goals as stated in the strategic plan is to, "maintain collaborative relationships with our customers and

Department of Social and Health Services

DP Code/Title: PL-9T Transfers

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

partners based on service, mutual respect, open communications and accessibility." Another is to, "continuously enhance and improve business processes." Both of these have been honored in the collaborative process used to problem solve with the customer divisions.

4. The background checks accounting methodology contributes to the Statewide Results number 11 "improve the ability of state government to achieve its results efficiently and effectively."

Performance Measure Detail

Program: 100

Activity: J103 Vocational Rehabilitation Administration

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Reason for change:

1. Centralizing the functions will improve the efficiency of accounting and provide a single source contact in comparison to multiple sources of contact.

2. Service delivery for all DSHS employees, board/commission members, and volunteers will be improved by centralizing the travel process, particularly through use of TVS.

3. The purpose of this transfer is to ensure the uninterrupted flow of mail and building management services to customer divisions and the equally smooth flow of funding to support such services.

4. This transfer is the result of the decision to keep the background checks funding in the administrations.

Impact on clients and services:

This centralization is for efficiency and should not impact any services.

Impact on other state programs:

All DSHS Administrations are impacted only to the extent the funding is being transferred. The functions themselves should not be impacted.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The alternative is to continue the current methodology of accounting for the functions. Centralizing improves efficiency and has no cost impact.

1. The positions are currently funded after-the-fact. This package will permanently transfer the dollars in order to stabilize the revenues and expenditures of the affected administrations.

2. Utilize TVS, but maintain decentralized fiscal processing offices. The infrastructure that has been developed for travel centralization has reduced the administrative burden created by the department's more restrictive travel policies. This will

Department of Social and Health Services

DP Code/Title: PL-9T Transfers

Program Level - 100 Vocational Rehabilitation

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improve efficiency regardless of whether travel centralization occurs. However, travel processing errors will continue since adequate training, particularly on travel regulations, is not available. Inconsistency in the application of travel regulations, particularly when more restrictive travel rules are applied in a program, results in travelers being treated differently under like travel circumstances, which is prohibited by statewide travel regulations. The alternative is inconsistent with the integration of service delivery as defined by the Regional Business Services initiative, and has not been adopted by the DSHS Cabinet.

3. As tenants in the Lacey facilities change, new funding agreements would have to be negotiated and put in place. In addition, extremely inefficient time tracking, through the use of time sheets, would have to be instituted to satisfy potential federal audit challenges and to be in compliance with new departmental policy.

4. The alternative, leaving part of the funding in Program 110, does not match the agreed upon methodology of keeping the background check funding the administrations.

Budget impacts in future biennia:

This is a no cost decision package. The costs will be the same as in the current budget.

Distinction between one-time and ongoing costs:

This is a no cost decision package.

Effects of non-funding:

This decision package is not a request for funding. Not centralizing the functions will result in continued inefficiencies in accounting for the costs. The functions themselves will continue as currently maintained.

Expenditure Calculations and Assumptions:

See attachment - AW PL-9T Transfers.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects			
A Salaries And Wages	(10,000)	(10,000)	(20,000)
B Employee Benefits	(3,000)	(3,000)	(6,000)
Total Objects	(13,000)	(13,000)	(26,000)

DSHS Source Code Detail

<u>Program 100</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	(13,000)	(13,000)	(26,000)
Total for Fund 001-1	(13,000)	(13,000)	(26,000)
Total Program 100	(13,000)	(13,000)	(26,000)

PL-9T Transfer Steps to Program 110 05/07 Budget

ASD- SSPS Improvement Project Program Transfer

FTEs	Program 110 5000-A50-K002			Program 010 9000-J50-A033			Program 010 9000-J50-A012			Program 010 9000-J50-A009			Program 040 1000-H57-D036			Program 050 9000-J70-E051			Program 060 9000-M01-F078		
	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN
A	529,000	529,000	1,058,000	(10,000)	(10,000)	(20,000)	(57,000)	(57,000)	(114,000)	(49,000)	(49,000)	(98,000)	(74,000)	(74,000)	(148,000)	(122,000)	(122,000)	(244,000)	(217,000)	(217,000)	(434,000)
B	115,000	115,000	230,000	(2,000)	(2,000)	(4,000)	(12,000)	(12,000)	(24,000)	(11,000)	(11,000)	(22,000)	(16,000)	(16,000)	(32,000)	(26,000)	(26,000)	(52,000)	(48,000)	(48,000)	(96,000)
E	0	0	0	(1,000)	(1,000)	(2,000)	(5,000)	(5,000)	(10,000)	(4,000)	(4,000)	(8,000)	(6,000)	(6,000)	(12,000)	(10,000)	(10,000)	(20,000)	(19,000)	(19,000)	(38,000)
EA	41,000	41,000	82,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EN	4,000	4,000	8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G	5,000	5,000	10,000	(1,000)	(1,000)	(2,000)	0	0	0	0	0	0	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)	(4,000)
J	27,000	27,000	54,000	0	0	0	0	0	0	0	0	0	(5,000)	(5,000)	(10,000)	(8,000)	(8,000)	(16,000)	(14,000)	(14,000)	(28,000)
TZ	9,000	9,000	18,000	0	0	0	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)	(4,000)	(4,000)	(4,000)	(8,000)
Total	730,000	703,000	1,433,000	(14,000)	(14,000)	(28,000)	(75,000)	(75,000)	(150,000)	(65,000)	(65,000)	(130,000)	(98,000)	(98,000)	(201,000)	(169,000)	(161,000)	(330,000)	(304,000)	(290,000)	(594,000)
001-1	409,000	395,000	804,000	(10,000)	(10,000)	(20,000)	(53,000)	(53,000)	(106,000)	(45,000)	(45,000)	(90,000)	(51,000)	(49,000)	(100,000)	(84,000)	(80,000)	(164,000)	(166,000)	(158,000)	(324,000)
001-2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-2	2,000	2,000	4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,000)	(2,000)	(4,000)
001-2	41,000	39,000	80,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(41,000)	(39,000)	(80,000)
001-A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-A	35,000	35,000	70,000	(3,000)	(3,000)	(6,000)	(17,000)	(17,000)	(34,000)	(15,000)	(15,000)	(30,000)	0	0	0	0	0	0	0	0	0
001-A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-C	194,000	186,000	380,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(46,000)	(45,000)	(91,000)
001-D	41,000	39,000	80,000	(1,000)	(1,000)	(2,000)	(5,000)	(5,000)	(10,000)	(5,000)	(5,000)	(10,000)	(52,000)	(49,000)	(101,000)	(85,000)	(81,000)	(166,000)	(41,000)	(39,000)	(80,000)
001-E	8,000	7,000	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(8,000)	(7,000)	(15,000)
Total	730,000	703,000	1,433,000	(14,000)	(14,000)	(28,000)	(75,000)	(75,000)	(150,000)	(65,000)	(65,000)	(130,000)	(98,000)	(98,000)	(201,000)	(169,000)	(161,000)	(330,000)	(304,000)	(290,000)	(594,000)

FSA - TVS Centralization Transfer

58 AW PL-9T Transfers.xls

2005-07 Biennium
PL-9T Transfers

Building and Mail Svcs Program Transfer

		Program 110 A44 4000 K047			Program 110 A50 5000 K002			Program 110 A20 2000 K026			Program 050 9000 J70 E051			Program 070 9000-130-G022			Program 100 9000-140-1103		
FTEs		SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN
		0.8	0.8	0.8	0.8	0.8	0.8	(0.2)	(0.2)	(0.2)	(0.8)	(0.8)	(0.8)	(0.4)	(0.4)	(0.4)	(0.2)	(0.2)	(0.2)
A	30,000	30,000	30,000	60,000	20,000	20,000	40,000	(6,000)	(6,000)	(12,000)	(26,000)	(26,000)	(52,000)	(12,000)	(12,000)	(24,000)	(6,000)	(6,000)	(12,000)
B	8,000	8,000	8,000	16,000	7,000	7,000	14,000	(2,000)	(2,000)	(4,000)	(8,000)	(8,000)	(16,000)	(3,000)	(3,000)	(6,000)	(2,000)	(2,000)	(4,000)
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TZ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		38,000	38,000	76,000	27,000	27,000	54,000	(8,000)	(8,000)	(16,000)	(34,000)	(34,000)	(68,000)	(15,000)	(15,000)	(30,000)	(8,000)	(8,000)	(16,000)
001-1	0011	25,000	25,000	50,000	17,000	17,000	34,000	(5,000)	(5,000)	(10,000)	(17,000)	(17,000)	(34,000)	(12,000)	(12,000)	(24,000)	(8,000)	(8,000)	(16,000)
001-2	001B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-2	566B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-2	E61L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-A	563I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-A	658L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-A	659L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-C	19UL	13,000	13,000	26,000	10,000	10,000	20,000	(3,000)	(3,000)	(6,000)	(17,000)	(17,000)	(34,000)	(3,000)	(3,000)	(6,000)	0	0	0
001-D	558B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-E	596A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		38,000	38,000	76,000	27,000	27,000	54,000	(8,000)	(8,000)	(16,000)	(34,000)	(34,000)	(68,000)	(15,000)	(15,000)	(30,000)	(8,000)	(8,000)	(16,000)

BCCU transfer

		Program 110 A80 8000 K094			Program 050 9000 J81 E051		
FTEs		SFY06	SFY07	BIEN	SFY06	SFY07	BIEN
		0.0	0.0	0.0	0.0	0.0	0.0
A	(67,000)	(67,000)	(67,000)	(134,000)	67,000	67,000	134,000
B	(21,000)	(21,000)	(21,000)	(42,000)	21,000	21,000	42,000
E	0	0	0	0	15,000	15,000	30,000
EA	(15,000)	(15,000)	(15,000)	(30,000)	0	0	0
EN	0	0	0	0	0	0	0
G	(1,000)	(1,000)	(1,000)	(2,000)	1,000	1,000	2,000
J	0	0	0	0	0	0	0
TZ	(2,000)	(2,000)	(2,000)	(4,000)	2,000	2,000	4,000
Total		(106,000)	(106,000)	(212,000)	106,000	106,000	212,000
001-1	0011	(54,000)	(54,000)	(108,000)	54,000	54,000	108,000
001-2	001B	0	0	0	0	0	0
001-2	566B	0	0	0	0	0	0
001-2	E61L	0	0	0	0	0	0
001-A	563I	0	0	0	0	0	0
001-A	658L	0	0	0	0	0	0
001-A	659L	0	0	0	0	0	0
001-C	19UL	(52,000)	(52,000)	(104,000)	52,000	52,000	104,000
001-D	558B	0	0	0	0	0	0
001-E	596A	0	0	0	0	0	0
Total		(106,000)	(106,000)	(212,000)	106,000	106,000	212,000

Summary

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**2005-07 Biennium
PL-9T Transfers**

Program 030 9000-G70-C300/SUMMARY				Program 040 1000-H57-D036/SUMMARY				Program 050 4000-J74-E052				Program 050 9000-J70-E051				Program 050 9000-J81-E051				Program 050 SUMMARY				Program 060 9000-M01-F078/SUMMARY			
FTEs	SFY06 (0.1)	SFY07 (0.1)	BIEN (0.1)	SFY06 0.0	SFY07 0.0	BIEN 0.0	SFY06 (0.9)	SFY07 (0.9)	BIEN (0.9)	SFY06 (0.8)	SFY07 (0.8)	BIEN (0.8)	SFY06 0.0	SFY07 0.0	BIEN 0.0	SFY06 (1.7)	SFY07 (1.7)	BIEN (1.7)	SFY06 (1.7)	SFY07 (1.7)	BIEN (1.7)	SFY06 (0.4)	SFY07 (0.4)	BIEN (0.4)			
A	(3,000)	(3,000)	(6,000)	(74,000)	(74,000)	(148,000)	(33,000)	(33,000)	(66,000)	(148,000)	(148,000)	(296,000)	67,000	67,000	134,000	(114,000)	(114,000)	(228,000)	(234,000)	(234,000)	(468,000)	(52,000)	(52,000)	(104,000)			
B	(1,000)	(1,000)	(2,000)	(16,000)	(16,000)	(32,000)	(9,000)	(9,000)	(18,000)	(34,000)	(34,000)	(68,000)	21,000	21,000	42,000	(22,000)	(22,000)	(44,000)	(52,000)	(52,000)	(104,000)	(19,000)	(19,000)	(38,000)			
E	0	0	0	(6,000)	(6,000)	(12,000)	0	0	0	(10,000)	(10,000)	(20,000)	15,000	15,000	30,000	5,000	5,000	10,000	(3,000)	(3,000)	(6,000)	0	0	0			
EA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
EN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
G	0	0	0	(1,000)	(1,000)	(2,000)	0	0	0	(1,000)	(1,000)	(2,000)	1,000	1,000	2,000	0	0	0	(2,000)	(2,000)	(4,000)	0	0	0			
J	0	0	0	(5,000)	0	(5,000)	0	0	0	(8,000)	0	0	0	0	0	0	(8,000)	0	(14,000)	0	(14,000)	0	0	0			
TZ	0	0	0	(1,000)	(1,000)	(2,000)	0	0	0	(2,000)	(2,000)	(4,000)	2,000	2,000	4,000	0	0	0	(4,000)	(4,000)	(8,000)	0	0	0			
Total	(4,000)	(4,000)	(8,000)	(103,000)	(98,000)	(201,000)	(42,000)	(42,000)	(84,000)	(203,000)	(195,000)	(398,000)	106,000	106,000	212,000	(139,000)	(131,000)	(270,000)	(325,000)	(311,000)	(636,000)	(8,000)	(8,000)	(16,000)			
001-1	(2,000)	(2,000)	(4,000)	(51,000)	(49,000)	(100,000)	(21,000)	(21,000)	(42,000)	(101,000)	(97,000)	(198,000)	54,000	54,000	108,000	(68,000)	(64,000)	(132,000)	(177,000)	(170,000)	(347,000)	0	0	0			
001-2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
001-2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
001-2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
001-2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
001-A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
001-A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
001-A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
001-C	(2,000)	(2,000)	(4,000)	(52,000)	(49,000)	(101,000)	(21,000)	(21,000)	(42,000)	(102,000)	(98,000)	(200,000)	52,000	52,000	104,000	(71,000)	(67,000)	(138,000)	(49,000)	(47,000)	(96,000)	(44,000)	(42,000)	(86,000)			
001-D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(44,000)	(42,000)	(86,000)	(8,000)	(8,000)	(16,000)			
001-E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Total	(4,000)	(4,000)	(8,000)	(103,000)	(98,000)	(201,000)	(42,000)	(42,000)	(84,000)	(203,000)	(195,000)	(398,000)	106,000	106,000	212,000	(139,000)	(131,000)	(270,000)	(325,000)	(311,000)	(636,000)	(8,000)	(8,000)	(16,000)			

Program 070 9000-130-G022/SUMMARY				Program 080 6000-V90-H001C/SUMMARY				Program 100 9000-T40-1103/SUMMARY			
FTEs	SFY06 (0.5)	SFY07 (0.5)	BIEN (0.5)	SFY06 (0.1)	SFY07 (0.1)	BIEN (0.1)	SFY06 (0.3)	SFY07 (0.3)	BIEN (0.3)		
A	(13,000)	(13,000)	(26,000)	(2,000)	(2,000)	(4,000)	(10,000)	(10,000)	(20,000)		
B	(3,000)	(3,000)	(6,000)	0	0	0	(3,000)	(3,000)	(6,000)		
E	0	0	0	0	0	0	0	0	0		
EA	0	0	0	0	0	0	0	0	0		
EN	0	0	0	0	0	0	0	0	0		
G	0	0	0	0	0	0	0	0	0		
J	0	0	0	0	0	0	0	0	0		
TZ	0	0	0	0	0	0	0	0	0		
Total	(16,000)	(16,000)	(32,000)	(2,000)	(2,000)	(4,000)	(13,000)	(13,000)	(26,000)		
001-1	(13,000)	(13,000)	(26,000)	(1,000)	(1,000)	(2,000)	(13,000)	(13,000)	(26,000)		
001-2	0	0	0	0	0	0	0	0	0		
001-2	0	0	0	0	0	0	0	0	0		
001-2	0	0	0	0	0	0	0	0	0		
001-2	0	0	0	0	0	0	0	0	0		
001-A	0	0	0	0	0	0	0	0	0		
001-A	0	0	0	0	0	0	0	0	0		
001-A	0	0	0	0	0	0	0	0	0		
001-A	0	0	0	0	0	0	0	0	0		
001-C	(3,000)	(3,000)	(6,000)	(1,000)	(1,000)	(2,000)	0	0	0		
001-C	0	0	0	0	0	0	0	0	0		
001-D	0	0	0	0	0	0	0	0	0		
001-E	0	0	0	0	0	0	0	0	0		
Total	(16,000)	(16,000)	(32,000)	(2,000)	(2,000)	(4,000)	(13,000)	(13,000)	(26,000)		

Department of Social and Health Services

DP Code/Title: PL-JB Reduce DVR Waiting List

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

The Division of Vocational Rehabilitation (DVR) is requesting \$3 million in state only funding each fiscal year to initiate services to 2,145 individuals who cannot be reached on the waiting list while operating from the federal determined waiting lists.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	3,000,000	3,000,000	6,000,000
Total Cost	3,000,000	3,000,000	6,000,000

Staffing

Package Description:

Federally Determined Waiting Lists

DVR does not have sufficient resources to serve all eligible individuals who apply for services. When this occurs, as it did in Fiscal Year 2001, the public Vocational Rehabilitation (VR) program must establish an order for serving eligible individuals with disabilities and must give the highest priority to those with the most significant disabilities.

Priority Category I individuals, by definition, have a physical or mental impairment that results in serious limitations in four or more functional areas and require substantial VR services over an extended period to become employed. Priority Category II individuals are defined as those having physical or mental impairments, experience limitations in one or more functional areas and require multiple VR services to become employed. Priority Category III individuals are defined as those having a substantial impediment to employment, but do not meet the criteria of category I or II.

Since November 2000, DVR has been operating with these federally determined waiting lists. As a result, DVR counselor caseloads now consists of individuals who face the greatest challenges to work, require a larger investment of resources, and on average, take longer to enter the workforce. This leaves no resources to serve priority Category II and Priority Category III individuals. These individuals generally require fewer and less costly services to obtain, regain and/or retain employment and have higher success rates in employment outcomes.

This means that thousands of Washington States' citizens eligible for VR services will continue to find themselves disenfranchised and un-served. Although these individuals have less significant disabilities, as defined by federal law, they face many of the same barriers to employment faced by those with more significant disabilities. General Fund-State (GF-S) dollars will allow the division to operate outside the federally determined waiting lists and allow DVR to serve individuals with disabilities who would otherwise never be served.

Lack of Adequate Funding

The cost and time required to serve Priority Category I individuals continues to limit the number of Priority Category II and III individuals DVR can serve. Federal funding levels are not keeping pace with the rising costs to provide VR services. In addition, DVR caseloads mostly consist of Priority Category I individuals who have complex and costly needs. These individuals face the greatest challenges to work, require a larger investment of counselor time and on average take longer to enter the work force.

Higher Success Rates/Lower Costs

Priority Categories II and III individuals overall require fewer services for shorter time periods. As of August 2004, there are 8,732 individuals on the waiting list for Priority Category II. Many have been waiting for VR services since October 2002. Category III consists of 1,014 individuals many of whom have been waiting for VR services since the division began serving

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people under the federally defined waiting list in November 2000.

On the Priority Category II and III lists 1,174 individuals report having either received some post-secondary education or have earned a General Education certificate and 1,832 reported no restrictions or limitations for transportation. Many of these people have had a substantial work history. These factors generally indicate that these individuals require relatively few VR services, meaning lower costs to DVR and higher rates of successful employment.

DVR is also tasked with providing services to help individuals with disabilities keep their current employment. Over 400 individuals on the Priority Category II and III waiting lists are currently employed and it is safe to assume that these individuals need only a modest amount of support to keep their jobs. Unfortunately, according to Employment Security data, 74 individuals have already lost their jobs while on the waiting list.

GF-S funding will allow DVR to serve 2,145 individuals from Priority Category levels II and III waiting lists who could not receive VR services while DVR is operating from the federally determined waiting lists.

This package affects DVRs Activity Inventory - Client Services, Counseling and Guidance and Administration.

Narrative Justification and Impact Statement

How contributes to strategic plan:

DVR's Strategic Plan is designed to help focus our efforts and activities to provide the best possible services for our customers. The mission of DVR is to empower individuals with disabilities to achieve a greater quality of life by obtaining and maintaining employment.

DVR currently has resources to serve only 25,000 to 30,000 out of the approximately 710,000 working-age individuals with disabilities in Washington State. With these finite resources, DVR must focus its efforts on serving individuals with the most significant disabilities, facing multiple barriers to employment.

The requested funding will help DVR achieve the following goals:

- Promote self-determination and informed choice.
- Improve the quality and diversity of employment outcomes.
- Collaborate with partners and stakeholders for customer benefit.
- Provide timely and effective services.

Activities additional funding will support:

Providing VR services to approximately 2,100 Washington State citizens with disabilities who cannot be served under federal law, with federal dollars.

Indicators: Reduction in number of people on the waiting list. Reduction in time waiting for services. Percentage of those served who retain employment, regain employment, or obtain employment.

This decision package also contributes to DSHS's strategic plan - Goal B: Improve Client Self-Sufficiency
Objective 2: Provide transition support to encourage client self-sufficiency.

Performance Measure Detail

Program: 100

Activity: J105 Vocational Rehabilitation Direct Client Services
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Department of Social and Health Services

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Reason for change:

Many individuals in Priority Category II and III will never be served unless DVR obtains general fund state dollars. General fund state dollars will allow DVR to serve individuals who would otherwise not receive VR services while DVR is operating from the federally determined waiting lists.

Lack of Equal Opportunity: Individuals with disabilities continue to face gaps in securing jobs, education and accessible transportation.

The United States (US) Census 2000 showed that non-institutionalized individuals between the ages of 16 and 64 were less likely to be employed if they were disabled. Whereas 79.9 percent of working-age men without a disability were employed, only 60.1 percent of those with a disability worked. Among women of working age, the respective employment rates were 67.3 percent and 51.4 percent.

For Washington State, individuals with disabilities are employed at a rate of only 50 percent, compared to 76 percent for individuals without disabilities.

The US Census Bureau, in 1999, reported that 30 percent of individuals with disabilities have less than an 8th grade education compared with 10 percent of the population without disabilities; only 4 percent of individuals with disabilities have four or more years of college, compared to 25 percent of the non-disabled population (Paul, Hunt, and Brodwin, 2003).

The Reality of Poverty: Data from the US Census 2000 supports the commonly-held belief that people with disabilities suffer from the effects of poverty disproportionately to their non-disabled counterparts.

In 2000, 8.7 million individuals with disabilities were poor - a substantially higher proportion (17.6 percent) than was found among individuals without disabilities (10.6 percent).

Washington State

In 2000, the State of Washington Office of Financial Management conducted the second in a series of surveys designed to provide a detailed profile of Washington State residents. Information on topics such as employment, income, education immigration, health and health insurance was included in the survey.

The 2000 survey asked about several aspects of disability. Findings from the survey indicate that Washington adults with disabilities differ from those without limitations in a number of ways as follows:

- * People with disabilities are more likely to be older.
- * People with disabilities are more likely to report poor health.
- * People with disabilities are more likely to have low household income.
- * People with disabilities are less likely to have college education.
- * People with disabilities are more likely to live alone.

The numbers of Washington State's working-age individuals with disabilities has been growing at a higher rate than the working-age population as a whole. Between 1995 and 2000, the working-age population as a whole grew at an estimated rate of 8.4 percent, from 3.3 million to 3.6 million. The numbers of working-age individuals with disabilities grew at an estimated rate of 10.5 percent, from 583,969 to 644,965.

It is projected that between 2000 and 2010, the numbers will increase by 15.6 percent of working-age people as a whole, from 3.6 million to 4.2 million. The increase in numbers for individuals with disabilities during this same time period is projected to be 18.3 percent, from 644,065 to 763,180.

Impact on clients and services:

Department of Social and Health Services

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GF-S funds will enable DVR to operate outside the federally determined waiting lists to initially serve 2,145 individuals from the Priority Category II and III waiting lists. DVR is estimating that at least 1,287 of these individuals will be successfully rehabilitated.

Stakeholders are negatively impacted by DVR's waiting list. Stakeholders who would support the proposal are clients, families, advocacy organizations, other DSHS programs who also serve DVR clients, counties, Regional Support Networks, community rehabilitation programs, independent living programs, the State Rehabilitation Council, Governor's Committee on Disability Issues and Employment, Developmental Disabilities Council, Mental Health Council, State Independent Living Council, Client Assistance Program and Workforce Investment Act partners.

Impact on other state programs:

Of the 2,145 individuals, 1,429 reported receiving public assistance. Successfully rehabilitating 1,287 individuals could potentially save both state and federal public assistance dollars and, in addition, contribute to the tax base.

Nationally it is reported by the Council of State Administrators of Vocational Rehabilitation (CSAVR) that individuals who received help from the VR program in 2002 will:

- Earn \$3.5 billion in wages in their first year of work;
- Pay back the cost of their rehabilitation services, through taxes, in just 2 - 4 years;
- Benefit the combined Federal and State tax treasuries by \$2 - \$4 in revenues for every VR dollar spent over subsequent years of work;
- Benefit themselves with \$10 in earnings for every VR dollar spent over their subsequent years of work;
- Benefit society by \$16 for every dollar spent on VR services;
- Save the Federal Treasury or the Social Security Trust Fund \$5 for every dollar spent, totaling \$460 million savings in Federal FY 2003;
- Help to generate an estimated 60,000 jobs in the economy through \$3.5 billion in wages.

Of the 1,429 individuals projected to become successfully employed, 186 reported receiving Social Security Disability Insurance (SSDI). For the individuals who are successfully rehabilitated and receiving SSDI, program income of approximately \$1.8 million could potentially be returned to the program from Social Security Administration. The program income would be returned to the program five years after the individual was employed.

Programs that provide services to DVR clients would create revenue. More people would go to college, receive medical and psychiatric services, receive assistive technology, and be provided with job coaching and job development services. This supports the operations and revenues of these partner agencies, including employment service providers (formerly known as community rehabilitation programs), independent living providers, assistive technology providers, and others. The funding would impact the success of counties and regional support networks that provide pre-employment services, employment supports, or funding for individuals who require extended services once DVR funding terminates. These programs are coordinated so that individuals with disabilities transition from one program to another in a progression of services.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

Requires DVR to amend its state plan with Rehabilitation Services Administration.

Alternatives explored by agency:

Department of Social and Health Services

DP Code/Title: PL-JB Reduce DVR Waiting List

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Because DVR is required to serve individuals based on the federally determined waiting lists, GF-S funding is the only alternative that would allow DVR to serve individuals outside the federally determined waiting lists.

Budget impacts in future biennia:

Once DVR approves an individualized plan for employment with a client, DVR supports the plan through its completion. If DVR receives general fund state dollars, more individualized plans for employment that are in progress would be carried over into the subsequent biennium and would need continued funding.

The impact of carrying over a large number of plans means that DVR would have substantial funds obligated in existing plans and could not afford to initiate many new ones. The consequences of not having funds available in subsequent biennia would once again force the division to close waiting lists and Washington Citizens with disabilities would be denied the services they need to become employed.

Distinction between one-time and ongoing costs:

All cost would be ongoing.

Effects of non-funding:

As costs continue to rise at a much higher rate than Cost of Living Allowances increases, DVR will continue to be limited in the number of individuals served each year and the waiting list will continue to grow. At the current rate of growth, DVR is estimating the waiting list will exceed 12,000 individuals by State Fiscal Year 2006 and 16,000 by 2007. Services will only be available to those individuals in Priority Category I, and even these individuals could be required to wait a year or more to be served. Individuals in Priority Category II and III will have no resources to get the help they need to enter the work force.

Expenditure Calculations and Assumptions:

DVR would employ 10 Governor Internship positions at a yearly cost of \$50,000 each for salaries and benefits for a yearly total of \$500,000 and approximately \$210,000 (seven percent) yearly would be required for indirect administrative costs. This would leave \$2,500,000 for direct client services.

DVRs federal partner, Rehabilitative Services Administration, published DVRs average cost per case per year. Using these calculations and removing the costs associated with long-term cases, DVR is averaging approximately \$1,068 per case per year. DVR could initially serve approximately 2,145 individuals. Approximately 1,287 would reach successfully rehabilitation.

See attachment DVR PL-JB Reduce DVR Waiting List.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects			
A Salaries And Wages	400,000	400,000	800,000
B Employee Benefits	100,000	100,000	200,000
N Grants, Benefits & Client Services	2,500,000	2,500,000	5,000,000
Total Objects	3,000,000	3,000,000	6,000,000

Department of Social and Health Services

DP Code/Title: PL-JB Reduce DVR Waiting List

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

DSHS Source Code Detail

Program 100		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011 General Fund State		3,000,000	3,000,000	6,000,000
<i>Total for Fund 001-1</i>		<u>3,000,000</u>	<u>3,000,000</u>	<u>6,000,000</u>
Total Program 100		<u>3,000,000</u>	<u>3,000,000</u>	<u>6,000,000</u>

2005-07 Biennium
PL-JB Reduce DVR Waiting List

2005-07 Biennium
PL-JB Reduce DVR Waiting List

	SFY 2006	SFY 2007
10 Governor Interns: (No FTEs Required)		
A-Salaries	400,000	400,000
B-Benefits	100,000	100,000
N-Client Services	2,500,000	2,500,000
Totals	3,000,000	3,000,000

Department of Social and Health Services

DP Code/Title: PL-JC Youth with Disabilities Employment

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

The Division of Vocational Rehabilitation (DVR) is requesting \$3 million in state only funding each fiscal year to serve individuals who normally could not be served from the federally determined waiting list.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	3,000,000	3,000,000	6,000,000
Total Cost	3,000,000	3,000,000	6,000,000

Staffing

Package Description:

High School Transition Services

DVR partners with school districts across the state to help youth with disabilities plan their transition from school to adult life, including work. DVR has a liaison counselor assigned to every high school in the state. A Vocational Rehabilitation (VR) counselor typically becomes involved at age 16, during the student's third year of high school to begin planning the student's next steps after high school.

The Rehabilitation Amendments of 1992 was intended to provide easier access for youth with disabilities transitioning from school to work and bring together rehabilitation and educational services. United States (US) Senate Report, 102-357, specifically states that "...to ensure that all youths with disabilities who require VR services receive those services in a timely manner... There should be no gap in services between the education system and the VR system. Thus an individual's Individualized Plan for Employment should be completed before the individual leaves the school system..."

Federally Determined Waiting Lists

DVR does not have sufficient resources to serve all eligible individuals who apply for services, including youths with disabilities preparing to leave high school. When this occurs, as it did in FY 2001, the public VR program must establish an order for serving eligible individuals with disabilities and must give the highest priority to those with the most significant disabilities.

Priority Category I individuals, by definition, have a physical or mental impairment that results in serious limitations in four or more functional areas and require substantial VR services over an extended period to become employed. Priority Category II individuals are defined as those having physical or mental impairments, experience limitations in one or more functional areas and require multiple VR services to become employed. Priority Category III individuals are defined as those having a substantial impediment to employment, but do not meet the criteria of category I or II.

Since November 2000, DVR has been operating with these federally determined waiting lists. As a result, DVR counselor caseloads primarily consist of individuals who face the greatest challenges to work, require a larger investment of resources, and on average, take longer to enter the workforce. This leaves no resources to serve other eligible individuals. This means that hundreds of Washington States' youth eligible for VR services will continue to find themselves disenfranchised and without services.

High school youths with disabilities that do not meet the criteria for Priority Category I face many of the same barriers to employment faced by those with more significant disabilities. Individuals in Priority Categories II and III generally require fewer and less costly services to obtain, regain and/or retain employment and have a higher success rates in employment outcomes. General Fund-State (GF-S) funding will allow the division to operate outside the federally determined waiting lists

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and provide much needed services to the state's youth.

In keeping with US Senate Report, 102-357, DVR's goal is to have an individualized plan for employment in place before the student finishes high school to support a smooth transition and help prevent kids from falling through the cracks. Youths with disabilities need a solid plan in place when they leave high school that connects them with a DVR counselor and outlines the next steps in the student's progression toward independence and employment.

A smooth transition relies upon the availability of DVR services when the student leaves high school to prevent a gap in services that can and often does lead to a loss in a student's motivation and capacity to work, and compromises the investment made and progress achieved during high school.

Additional fiscal resources would ensure that the division can effectively prepare and serve youths with disabilities as they become ready to leave the secondary school system and plan for a productive, fulfilling career future as independent members of our society.

This proposal would affect DVRs activity inventory - direct client services, counseling and guidance, and administration.

Narrative Justification and Impact Statement

How contributes to strategic plan:

DVR's Strategic Plan is designed to help focus efforts and activities to provide the best possible services for our customers. The mission of DVR is to empower individuals with disabilities to achieve a greater quality of life by obtaining and maintaining employment. One of the major challenges identified in the plan is providing services to youth with disabilities preparing to leave high school and transitioning to work. Through employment, customers will have the same opportunities that others have to fully participate in society.

The requested funding will help DVR achieve the following goals:

- Promote self-determination and informed choice.
- Improve the quality and diversity of employment outcomes.
- Collaborate with partners and stakeholders for customer benefit.
- Provide timely and effective services.

Activities additional funding will support:

Providing timely access to pre-VR and VR services by reaching youth early in their secondary education as they begin career exploration. Development of tools and methods to increase the effectiveness of those services. Partnering with local governmental entities and schools to close the gap in resources available for these youths.

DVR will set a target of serving an additional 1,416 youth with disabilities who would not otherwise receive services while the division operates with federally defined waiting lists. Additional indicators of the expected results are:

- a decrease in school dropout rates among those served by the division;
- number of Individual Educational Plans in which the division actively participates;
- percentage of these youths with disabilities who have developed Individual Plans for Employment before leaving high school;
- and a percentage of these youths who successfully achieve employment.

This decision package also contributes to DSHS's strategic plan - Goal B: Improve Client Self-Sufficiency, Objective 2: Provide transition support to encourage client self-sufficiency.

Department of Social and Health Services

DP Code/Title: PL-JC Youth with Disabilities Employment
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Performance Measure Detail

Program: 100

Activity: J105 Vocational Rehabilitation Direct Client Services

No measures linked to package

Incremental Changes

FY 1

0.00

FY 2

0.00

Reason for change:

Since November 2000, DVR has been operating with federally determined waiting lists and primarily serving those at the highest priority level, Priority I. This leaves no resources to serve Priority II and Priority III individuals.

There are approximately 700,000 working-age Washington State citizens with disabilities. DVR currently has resources to serve only 25,000 to 30,000 individuals and because these resources are federal dollars, only those on the Priority I waiting list have any hope of being served.

There are over 23,000 youths enrolled in special education who will reach age 18 over the next three years and many of them will be eligible for VR services. However, a significant number of these youths with disabilities will not meet the criteria for Priority I service and will not receive the VR services that have a tremendous impact on their achieving successful employment. While operating under federally determined waiting lists, DVR cannot fulfill its obligation to these youths.

Preparing to enter the workforce has been identified as a major developmental task of adolescence (Havighurst, 1982). During early adolescence, youths begin to examine the societal roles they see around them, roles they will soon assume as they finish high school. Elliott (1993) points out that the successful transition into adult roles (i.e., work, marriage, parenting) appears to help reduce involvement in delinquent behaviors.

The Council of State Administrators of Vocational Rehabilitation (SCAVR) reports that:

- More than one in three youths in correctional facilities received special education services.
- Over the past several years, the number of youths with disabilities in correctional facilities has risen at over twice the rate of increase of the overall special education population.

In order to support successful employment the division must be able to reach these youths with disabilities in advance of their leaving high school, as early as 16 years of age. In addition, there is a possibility that future changes to the Individuals with Disabilities Education Act (IDEA) will require the Rehabilitation Services Administration programs to serve youths as young as 14 years of age. However, at the rate the waiting list is growing these youth may face lengthy waits for DVR services, even if they apply for DVR services long before they leave school. Those who are not in the highest priority category (those with the most significant disabilities) will never receive services.

DVR Waiting List

There are currently 1,325 individuals coded as high school transition on the DVR waiting list. Of those, 309 are enrolled with the Division of Developmental Disabilities (DDD) and 274 of those enrolled are in the highest priority category. Youths who are not being served also includes youths in many disability groups, including: sensory impairments, physical disabilities, significant learning disabilities, and mental illnesses, etc. GF-S funding will enable DVR to target 1,016 youths with disabilities currently on the waiting list who are not in the highest priority category. Funding would also allow DVR to serve an additional 400 youths with disabilities in the first year of the new biennium. As it stands now, these youth will not be served by DVR.

It is reported that nationally, over 64 percent of youths achieve an employment outcome after receiving services from a public VR program ("A Longitudinal Study of the Vocational Rehabilitation Service Program, Fourth Interim Report: Characteristics and Outcomes of Transitional Youth in VR", Research Triangle Institute, 2000). Based on this expectation,

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being able to serve 2,832 youths over the next biennium would result in 1,800 youths achieving successful employment and becoming independent members of our society. Further research is in progress on job retention for these youths and preliminary indications are that these youths are less likely to return for additional services.

Other research findings in vocational rehabilitation indicate that the earlier youth with disabilities are involved with the VR process, the more likely they are to become successfully employed. (Moon, M.S. & Inge, K., 1993; Gaylord, V., Golden, T.P., O'Mara, S., and Johnson, D.R. (Eds.), 2002). Moon & Inge (1993) also report that the best predictor of post high school employment success appears to be the exposure to real work environments that matches interests, capabilities and individual circumstances while still in school.

Impact on clients and services:

GF-S funding will enable VR counselors to become involved in planning with youths with disabilities and educators at an earlier age. Counselors could provide information and advice about services and activities that will support the student's successful transition from high school to work. Youths with disabilities will receive continuous services as they progress from services in the high school setting to VR services and employment. If youths with disabilities are still on the waiting list when they exit school, DVR could maintain a continuity of services by using GF-S funds until they are released from the waiting list. Then, the student would move from state only funding to federal program funding.

DVR could serve an additional 1,416 eligible young people transitioning from school to work. This would promote the partnership between DVR and the Office of the Superintendent of Public Instruction (OSPI), school districts, youths with disabilities and their families and county entities. Further opportunities exist to reduce and/or prevent the flow of youth with disabilities into the justice system and to increase the high school graduation rate across income classes and among diversity groups.

Because so many of DVR's stakeholders are negatively impacted by DVR's waiting list, most would support this proposal, including:

- clients and families,
- school districts and OSPI,
- advocacy organizations,
- other DSHS programs who also serve DVR clients,
- counties,
- Regional Support Networks,
- community rehabilitation programs,
- independent living programs,
- the State Rehabilitation Council, Governor's Committee on Disability Issues and Employment, Developmental Disabilities Council, Mental Health Council, State Independent Living Council, and
- Client Assistance Program and Workforce Investment Act partners.

Impact on other state programs:

This proposal helps preserve the investment school districts make in youth with disabilities by providing disability and employment consultation to educators early, and creates a continuous progression for the student from school to VR services.

Funding will create work for stakeholders who provide services to DVR clients under an individualized plan for employment. More people would go to college, receive assistive technology, and be provided with job coaching and job development services. This supports the operations and revenues of these partner agencies, including community rehabilitation programs, independent living providers, assistive technology providers, and others.

The funding would allow for greater coordination with other programs to provide a seamless transition from one program to another in a progression of services. DVR's waiting list is frequently cited as a problem for these programs.

Department of Social and Health Services

**DP Code/Title: PL-JC Youth with Disabilities Employment
Program Level - 100 Vocational Rehabilitation**

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

Requires DVR to amend its state plan with Rehabilitation Services Administration.

Alternatives explored by agency:

Regulatory restrictions on the order in which we select individuals for services govern the use of federal grant funds, leaving the division with no other viable alternatives.

Budget impacts in future biennia:

DVR will be operating under the order of selection rules indefinitely. As of December 2003, there were 22,953 youths currently enrolled in special education who will reach 18 years of age over the next three years, of which a significant number will be eligible for DVR services.

Once DVR approves an individualized plan for employment with a client, DVR supports the plan through its completion. GF-S will allow the division to initiate more individualized plans for employment, and therefore carry more over into the subsequent biennium for continued funding.

Continuation of GF-S in subsequent biennia is vital due to the impact of carrying over a large number of plans to which substantial funds have been obligated, leaving little available for new employment plans. Youth with disabilities, like all other applicants, would be placed on a waiting list.

Distinction between one-time and ongoing costs:

This is an ongoing cost with no one-time funding.

Effects of non-funding:

Youth with disabilities, like all other applicants, would continue to be placed on a waiting list for services. As of June 2004, there are 12,000 individuals waiting for services. Individuals in the highest priority category will wait up to one year for services. As the waiting list continues to grow, the length of time individuals wait for services increases.

Costs for VR services continue to rise at a much higher rate than Cost of Living Allowance increases, DVR will not be able to increase the number served. Services will only be available to those individuals at Priority I level. Individuals at Priority II and III levels will not receive VR services needed to enter the work force.

The investment school districts make in special education and other services would be lost if youths with disabilities leave the education setting without the necessary services and supports to progress toward employment. The lengthy wait for DVR services would negatively affect these individuals' motivation and capacity to work. In addition, research findings indicate that:

- One third of youths with disabilities do not finish high school.
- One out of five adults with disabilities did not graduate from high school, compared to less than one out of ten adults without disabilities.
- Youths with severe emotional disturbances (58 percent) and learning disabilities (36 percent) have the highest dropout rates of all disability groups.

Department of Social and Health Services

DP Code/Title: PL-JC Youth with Disabilities Employment
Program Level - 100 Vocational Rehabilitation

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Programs that often refer individuals to DVR include mental health centers, DDD, high schools, alcohol and drug treatment centers, higher education institutions, and independent living centers.

Expenditure Calculations and Assumptions:

Annual Calculations: DVR would employ approximately 10 Governor Internship positions at \$50,000 each for salaries and benefits for a total annual cost of \$500,000. Approximately \$210,000 seven percent would be required for indirect administrative costs. This would leave \$2,290,000 for direct client services.

DVR is estimating approximately 254 individuals from age 15-18 would cost \$225,000 annually, 457 individuals from age 19-20 would cost \$685,500 and 305 individuals age 21+ would cost \$549,000, to serve the 1,016 youths with disabilities currently on the waiting list.

See attachment - DVR PL-JC Youth with Disability Employment.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects			
A Salaries And Wages	400,000	400,000	800,000
B Employee Benefits	100,000	100,000	200,000
N Grants, Benefits & Client Services	2,500,000	2,500,000	5,000,000
Total Objects	3,000,000	3,000,000	6,000,000

DSHS Source Code Detail

<u>Program 100</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	3,000,000	3,000,000	6,000,000
Total for Fund 001-1	3,000,000	3,000,000	6,000,000
Total Program 100	3,000,000	3,000,000	6,000,000

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PL-JC Youth with Disabilities Employment

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DVR PL-JC Youth with Disabilities Employment

	SFY 2006	SFY 2007
10 Governor Interns: (No FTEs Required)		
A-Salaries	400,000	400,000
B-Benefits	100,000	100,000
N-Client Services	2,500,000	2,500,000
Totals	3,000,000	3,000,000

Department of Social and Health Services

DP Code/Title: PL-JD Mental Health Clubhouses

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

The Division of Vocational Rehabilitation (DVR) is requesting \$2 million of state only funding each fiscal year to support the operations of five Mental Health Clubhouses where the need for Mental Health services and supports is critical.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	2,000,000	2,000,000	4,000,000
Total Cost	2,000,000	2,000,000	4,000,000

Staffing

Package Description:

Federally Determined Waiting Lists

DVR does not have sufficient resources to serve all eligible individuals who apply for services. When this occurs, as it did in Fiscal Year 2001, the public Vocational Rehabilitation (VR) program must establish an order for serving eligible individuals with disabilities and must give the highest priority to those with the most significant disabilities.

Priority category one individuals, by definition, have a physical or mental impairment that results in serious limitations in four or more functional areas and require substantial VR services over an extended period to become employed. Priority category two individuals are defined as those having physical or mental impairments, experience limitations in one or more functional areas and require multiple VR services to become employed. Priority category three individuals are defined as those having a substantial impediment to employment, but do not meet the criteria of category one or two.

Since November 2000, DVR has been operating with these federally determined waiting lists. As a result, DVR Counselor caseloads primarily consist of individuals who face the greatest challenges to work, require a larger investment of resources, and on an average, take longer to enter the workforce, leaving no resources to serve other eligible individuals.

Individuals with Mental Illness

A fundamental belief in all VR programs is that people with mental illness can and will have a higher quality of life with greater opportunities if employment is readily available. Programs nationally, including DVR, have struggled to help place people with mental illness in successful employment and retain their jobs. Despite investing significant resources and time, consumers experience limited success. Many factors contribute, including the lack of VR specialists in the field, lack of funds in the Mental Health system for support services and treatment, and the needs, expectations, fears and biases of many employers. As of June 2004, there were 3,406 individuals with mental illness on DVR's federally mandated waiting list. It is projected that the number will grow to 5,542 in Fiscal Year 2005 and 5,304 in Fiscal Year 2006. One employment model shows particular promise for increasing employment opportunities for people with mental illness while at the same time reducing emergency care and hospitalizations. This model is known as the Fountain House Clubhouse Model (or just Clubhouse model). In 2003, DVR began supporting the development and operation of two Mental Health Clubhouses, Rose House in Tacoma and Evergreen Club in Spokane. These clubhouses offer a number of advantages:

- Clubhouses can provide services to people DVR is serving and to those DVR cannot serve because of the order of selection waiting lists,
- Clubhouses address an individual's ongoing and comprehensive needs to live and work in the community, including services DVR cannot provide such as housing,
- Clubhouses offer individuals peer support, as well as access to professionals who specialize in serving people with mental illnesses,
- Clubhouses work with employers to educate them about mental health issues and to provide a supportive resource for the

Department of Social and Health Services

DP Code/Title: PL-JD Mental Health Clubhouses

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

employer and employee,

- Clubhouses provide ongoing employment supports to help people retain employment after the initial placement. Through the DVR partnership with clubhouses and other providers, DVR helped place 303 individuals with mental illness in employment in 2003. With general funds state dollars DVR could continue supporting Rose House and Evergreen Club and begin supporting up to three additional clubhouses. DVR would begin implementation July 1, 2005 by contracting with these clubhouses. Not only has employment been effective through the Rose House efforts, members advise that they are using emergency medical services and hospital services substantially less than in the past.

This proposal would affect DVRs Activity Inventory, client services.

Narrative Justification and Impact Statement

How contributes to strategic plan:

DVR's Strategic plan is designed to help DVR focus our efforts and activities to provide the best possible services for our customers. The mission of the DVR is to empower individuals with disabilities to achieve a greater quality of life by obtaining and maintaining employment. In general, DVR has struggled to help place people with mental illnesses in successful employment and retain their jobs. Despite investing significant resources and time, consumers experience limited success. Many factors contribute, including the lack of VR specialists in the field, lack of funds in the Mental Health system for support services and treatment, and the needs, expectations, fears and biases of many employers. However, we have had specific success through the pilot efforts in two clubhouse programs (Rose House in Tacoma and Evergreen Club in Spokane). DVR currently has resources to serve only 25,000 to 30,000 out of the approximately 710,000 working-age individuals with disabilities in Washington State. With these finite resources, DVR must focus its efforts on serving individuals with the most significant disabilities, facing multiple barriers to employment.

DVR believes that success in employment leads to increased quality of life. Through employment, customers will have the same opportunities as others to fully participate in society. Research findings indicate that individuals who are involved with a Mental Health Club are much more likely to benefit from DVR services.

The requested funding will help DVR achieve the following goals:

- Promote self-determination and informed choice,
- Improve the quality and diversity of employment outcomes,
- Collaborate with partners and stakeholders for customer benefit, and
- Provide timely and effective services.

Activities additional funding will support:

Indicators: Number of clubhouses established, number of individuals served by clubhouses, percent of these individuals served by DVR who gain and retain employment.

This decision package also contributes to the Department of Social and Health Services (DSHS's) Strategic plan, Goal B: Improve Client Self-Sufficiency, Objective 2: Provide transition support to encourage client self-sufficiency.

Performance Measure Detail

Program: 100

Activity: J105 Vocational Rehabilitation Direct Client Services

No measures linked to package

Incremental Changes

FY 1	FY 2
0.00	0.00

Reason for change:

Department of Social and Health Services

DP Code/Title: PL-JD Mental Health Clubhouses

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

The traditional VR model has limited effectiveness for those with mental illnesses. DVR has spent considerable resources with limited results, and average case costs continue to rise. Many individuals with mental illnesses apply for DVR services over and over again, experiencing the same barriers each time. There is still a negative stigma among the public, including employers. Their fears and lack of awareness make it difficult for individuals to enter and then become a part of the employee group.

The lack of resources in the Mental Health system and in communities to support people with mental illness who are working or who want to work often impact their ability to keep a job once they get one. Individuals with mental illness need an ongoing, reliable place to turn in their neighborhood or community where they belong, feel safe and can access the services and supports they need when they need them.

With no other resources or options, people often lose motivation, become discouraged and drop out of sight.

Medicaid funding has focused on clinical models of care. Funding for vocational efforts has been substantially reduced over time. This model does not impact traditional treatment models because it focuses on employment and the capabilities of the individuals rather than specific treatment regimens. The clubhouse offers hope, support and encouragement to individuals with mental illness. It offers the chance at both stability and opportunity by focusing on employment activities.

Lack of Equal Opportunity: Individuals with disabilities continue to face gaps in securing jobs, education and accessible transportation. The U.S. Census 2000 showed that non-institutionalized individuals between the ages of 16 and 64 were less likely to be employed if they were disabled. Whereas 79.9 percent of working-age men without a disability were employed, only 60.1 percent of those with a disability worked. Among women of working age, the respective employment rates were 67.3 percent and 51.4 percent.

For Washington State, individuals with disabilities are employed at a rate of only 50 percent, compared to 76 percent for individuals without disabilities.

The U.S. Census Bureau, 1999, reported that 30 percent of individuals with disabilities have less than an 8th grade education compared with ten percent of the population without disabilities, only four percent of individuals with disabilities have four or more years of college, compared to 25 percent of the non-disabled population (Paul, Hunt, and Brodwin, 2003). Specifically, people with mental illness face unemployment rates as high as 85 percent (Davis, 1999; Garski 1999).

The Reality of Poverty: Data from the U.S. Census 2000 support the commonly held belief that people with disabilities suffer from the effects of poverty disproportionately to their non-disabled counterparts. In 2000, 8.7 million individuals with disabilities were poor, a substantially higher proportion (17.6 percent) than was found among individuals without disabilities (10.6 percent).

Washington State

In 2000, the state of Washington Office of Financial Management conducted the second in a series of surveys designed to provide a detailed profile of Washington State residents. Information on topics such as employment, income, education immigration, health and health insurance was included in the survey.

The 2000 survey asked about several aspects of disability. Findings from the survey indicate that Washington adults with disabilities differ from those without limitations in a number of ways as follows:

- People with disabilities are more likely to be older,
- People with disabilities are more likely to report poor health,
- People with disabilities are more likely to have low household income,
- People with disabilities are less likely to have college education, and
- People with disabilities are more likely to live alone.

Department of Social and Health Services

DP Code/Title: PL-JD Mental Health Clubhouses

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

The numbers of Washington State's working-age individuals with disabilities has been growing at a higher rate than the working-age population as a whole. Between 1995 and 2000, the working-age population as a whole grew at an estimated rate of 8.4 percent, from 3.3 million to 3.6 million. The numbers of working-age individuals with disabilities grew at an estimated rate of 10.5 percent, from 583,969 to 644,965. It is projected that between 2000 and 2010, the numbers will increase by 15.6 percent of working-age people as a whole, from 3.6 million to 4.2 million. The increase in numbers for individuals with disabilities during this same time period is projected to be 18.3 percent, from 644,065 to 763,180.

Clubhouses offer a place for people to go and participate in ongoing peer support and counseling. Clubhouses also do work in the community and with employers to increase awareness and change attitudes about mental illness.

Clubhouses offer a model of employment that has proven to be effective. The model is called Transitional Employment Placement (TEP). TEP is competitive employment in an integrated setting. It is intended to serve individuals having the most severe psychiatric disabilities requiring extended job try outs to provide a foundation for career decision-making. TEP services are provided in order to support the individual in making a career choice or to refocus their career after onset of mental illness. TEP customers work in a series of time limited, competitive jobs as a means of gaining employment experience, skills, and establishing job preferences. The jobs are developed through an agreement between the Clubhouse and one or more private business enterprises. The Clubhouse commits to filling the job slots with trainees on a continuing basis, while the business commits to providing the slots. These job placements are transitional in two senses: they let individuals ease into the world of work at their own pace, and, typically, each placement lasts between four and six months. The Individual may then move on to another TE placement until success takes hold. Business's benefit by being assured that a trained worker is always available, and when a worker moves to a different job, the Clubhouse trains the replacement.

Clubhouses also assist individuals to find independent, competitive employment. They provide a variety of support services, such as resume preparation, interview coaching, job development and job coaching. Clubhouses provide the ongoing and long-term job supports people often need once they become employed. Additionally, statistics have shown that clubhouse clients have fewer hospital stays however, if the client is hospitalized, the time spent in the hospital is shorter (Eddy & O'Brien, 1987).

Different Washington Legislators have expressed specific interest in the Clubhouse model. Some have even toured different Clubhouse programs and expressed verbal support for what the programs are doing.

Funding this proposal would enable DVR to continue supporting Evergreen Club and Rose House and provide funding to establish and/or support operations in at least two additional clubhouses. These clubhouses are able to serve people referred by DVR for employment services, are able to serve people DVR cannot serve because of the order of selection waiting list, and are able to support people with mental illnesses who are not involved with DVR and may need support in other areas of their life. It is estimated this proposal could potentially serve 875 individuals with mental illness.

Impact on clients and services:

DVR Counselors in more communities would have a resource for serving individuals with mental illness. This would increase DVR's success rate with this population, and reduce the number of cases closed unsuccessfully. The Clubhouse model often provides a lower-cost job club and peer support model than the traditional purchase of job placement services from a contracted provider. The Clubhouse offers the long-term support individuals will need once the individual is employed (often at a lower cost because of peer supports) and the DVR case is closed, promoting long-term retention of employment. Individuals who are involved with a Mental Health Clubhouse are much more likely to benefit from DVR services. Additionally, clubhouse members can have ongoing support from the clubhouse regardless of federally mandated wait list issues or mental health funding issues if supported in this financial package.

Implementation and expansion of clubhouse services will create a resource for individuals DVR cannot serve because of the waiting list. Any clubhouse member can receive peer support and counseling, participate in a job club, get resume and

Department of Social and Health Services

DP Code/Title: PL-JD Mental Health Clubhouses

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

interview support, and explore vocational interests and goals. Individuals could receive these services independent of DVR or could use the services to make progress until their name is reached on the waiting list.

Stakeholders include the Mental Health Community, including the DSHS Mental Health Division, Regional Support Networks, families, advocacy groups, Community Mental Health programs, independent living centers, the State Rehabilitation Council, Mental Health Council and Governor's Council on Disability and Employment. DVR does not expect any stakeholders to oppose the request.

Impact on other state programs:

Services to support individuals with mental illness are desperately lacking. There are no other programs that provide employment related services and supports or who provide a community resource for peer counseling and support. These funds would not replace or offset costs in another program, but would create new services that are presently not available. Supporting individuals with mental illness to live and work in the community would ultimately reduce the number of people receiving public assistance, incarcerated, hospitalized or receiving other types of intensive treatment. Clubhouses offer prevention and support services that are much less costly than the kinds of services people often need when they do not have access to these supports. Keeping these individuals working could potentially save both state and federal public assistance dollars, and in addition, contribute to the tax base.

Nationally it is reported by CSAVR (Council of State Administrators of Vocational Rehabilitation) that individuals who received help from the VR program in 2002 will:

- Earn \$3.5 billion in wages in their first year of work,
- Pay back the cost of their rehabilitation services, through taxes, in just 2-4 years,
- Benefit the combined Federal and State Tax Treasuries by \$2-4 in revenues for every VR dollar spent over subsequent years of work,
- Benefit themselves with \$10 in earnings for every VR dollar spent over their subsequent years of work,
- Benefit society by \$16 for every dollar spent on vocational rehabilitation services,
- Save the Federal Treasury or the Social Security Trust Fund \$5 for every dollar spent, totaling \$460 million savings in Federal Fiscal Year 2003, and
- Help to generate an estimated 60,000 jobs in the economy through \$3.5 billion in wages.

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

DVR currently serves individuals with mental illness through general employment support providers or through Community Mental Health Centers that offer employment services. Because funding is so limited, few Mental Health Centers are able to develop effective employment services. Although these providers meet the needs of some individuals, these providers must receive a fee for services for each individual served in order to provide services. The comprehensive array of services available through clubhouses, as well as the availability of services to those being served by DVR on the waiting list or who are not involved with DVR makes all the difference. Clubhouses are able to provide a larger number of people with some level of services, including employment services.

DVR has been supporting two clubhouses for less than two years. For the existing clubhouses, the funding is time limited and scheduled to end to allow for the support of new clubhouses. Program improvements are an ongoing process. DVR employees are very involved with clubhouses staff and activities and they regularly discuss how to make the program better

Department of Social and Health Services

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and more effective.

RSN's and the Division of Mental Health have not been able to specifically fund Clubhouse programs because of the focus on employment and not clinical issues. Yet the Division of Mental Health and certain RSN's have expressed support for the Clubhouse model. Medicaid funding is minimal because the program would be required to change their services (thus not being a clubhouse anymore and losing its advantages) to a more clinically based program.

Budget impacts in future biennia:

Clubhouses would need continued funding to maintain operations.

Distinction between one-time and ongoing costs:

This is an ongoing cost.

Effects of non-funding:

Individuals with mental illness would continue to be placed on a lengthy waiting list for services. By the time they are reached on the list, DVR often cannot locate them or their condition has worsened. As costs rise and funding remains level, people wait longer. For those with mental illness, often no other services and supports are available. As a result, people often commit crimes, need hospitalization or treatment, apply for public assistance and lose the encouragement and motivation they need to engage in DVR services.

Expenditure Calculations and Assumptions:

DVR would contract with five clubhouses for approximately \$372,000 each clubhouse per-year, for a yearly total of \$1,860,000 or \$3,720,000 for the biennium. This new program would require a yearly indirect administrative cost of seven percent of current administrative cost (\$140,000 or \$280,000) for the biennium. This shift of administrative cost would free up Basic Support Grant funding for additional client services.

It is estimated each clubhouse will have the capacity to initially serve approximately 150-175 individuals for a total of 750-875 individuals.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects			
N Grants, Benefits & Client Services	2,000,000	2,000,000	4,000,000

DSHS Source Code Detail

Program 100	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	2,000,000	2,000,000	4,000,000
Total for Fund 001-1	2,000,000	2,000,000	4,000,000
Total Program 100	2,000,000	2,000,000	4,000,000

Department of Social and Health Services

DP Code/Title: PL-PA Electronic Intrusion Prevention

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

Recommendation Summary Text:

Secure the Department of Social and Health Services (DSHS) networked environment against intrusion. This solution is designed to protect against zero-day or minimum-day exploits, aid in securing the remote access environment, as well as a large variety of known and unknown attacks. This significantly enhances protection of confidential client information, as well as state resources, both equipment and staff time.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	51,000	6,000	57,000
Total Cost	51,000	6,000	57,000

Staffing

Package Description:

Under the current DSHS network design, client data and computer systems are protected by a combination information technology policy and standards, staff security awareness training, an agency firewall, agency required anti-virus protection, and program area patch management processes.

The patch management processes, following industry best practices, and agency policy are a combination of assessment, testing and implementation of any new software patches related to computer systems currently in use within DSHS. This process requires extensive time (a minimum of six business days) to implement correctly, so that the patching process does not compromise the security and functionality of critical Client Service systems. DSHS has a vast, complex computing environment of inter-dependent systems, this patching process cannot address attacks that would occur in less than the six business days from the patch release date (minimum-day attack.)

In addition, no patching process can address attacks that occur before the patch is released. These attacks that occur on the same day as identification of a vulnerability or before a patch is released are known as zero-day attacks. One attack has already been successfully implemented against a software package not used by DSHS. In this case, the attack deleted the contents of the hard drives of any computer running that particular application.

Another vulnerability this decision package addresses is remote access machines. With over 3,400 remote access users, including business partners, management of this security vulnerability is critical in maintaining the integrity of the DSHS network, and the associated State Government Network (SGN). This solution will provide DSHS a controlled method of mitigating the risk.

This solution is designed to block all attacks that would cause a computer to execute abnormal behaviors or commands. In doing so, it can successfully stop zero-day, and minimum-day attacks, even without agency knowledge of what the attack might be.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This solution would help the agency meet their strategic goals of improving accessibility and service integration, as well as improving customer service. DSHS client services are increasingly offered in the Internet venue, in response to the agency's

Department of Social and Health Services

DP Code/Title: PL-PA Electronic Intrusion Prevention

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

desire to provide services to clients when and where clients want them. In addition, management of client case files is accomplished through computer systems utilized by staff. By implementing this proposal, the agency can reduce the interruption of services due to cyber attacks on critical agency infrastructure and systems, thus improving accessibility to online services and ready access to data for staff.

Performance Measure Detail

Program: 100

Activity: P001 Information Systems Services

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Reason for change:

DSHS does not currently have a solution that would address risks from zero-day or minimum-day type attacks. In addition, while there are policies and standards to address remote access vulnerabilities, application of the policies and standards by remote users is not consistent. The intent of this solution is to mitigate risks from these types of attack, to reduce the probability of interruptions in service, whether from staff lack of access to critical systems or client access to online services.

Impact on clients and services:

This proposal will reduce the departments' vulnerability to various types of cyber attack and improve systems' up-time. This request is to fix a current vulnerability within DSHS Information Technology infrastructure.

Impact on other state programs:

Virtually all state agencies are on the SGN. Vulnerabilities in one agency's network can impact other state agencies, whether the network is a source of infection, generating denial of service type traffic or interrupting and impairing the efficient and effective flow of traffic across the SGN.

DSHS intends to implement a self-contained solution, such that results are not dependent on services from other agencies. This includes the quarantine process for secluding un-patched or infected machines.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

This solution is intended to strengthen the department's ability to achieve its results efficiently and effectively. Effective security follows a layered approach. This means stacking/implementing multiple layers of security to gain the best protection. Layers already implemented include:

Agency IT Security Policies and Standards: This lays out how security will be implemented by both managers and individual staff. It details how data and systems are accessed, shared and managed.

Security Awareness Training: This supplements the policy and standards, providing an annual reminder of each individual's responsibility for maintaining the security of data and systems.

Agency Firewall: Designed to minimize external access into the protected network. This cannot protect against holes

Department of Social and Health Services

DP Code/Title: PL-PA Electronic Intrusion Prevention

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

opened to allow for valid business applications.

Anti-virus Protection: This assesses valid traffic for malicious content. Anti-virus solutions require updating as new exploits are released.

Patch Management Process: This process is designed to apply software patches to computer applications when vulnerabilities are identified. As noted above, this process takes a minimum of six business days to safely apply appropriate patches.

Each of these layers addresses a different type of vulnerability. The ability to stop minimum-day or zero-day attacks is not addressed by the existing solutions. The currently available solutions for this problem are intrusion detection and intrusion prevention tools. The intrusion detection solutions require significantly greater staff support and has many false positives. These false positives can prevent valid applications/traffic from running.

Budget impacts in future biennia:

Expenditures are primarily up front. The only ongoing costs will be the annual software maintenance fee.

Distinction between one-time and ongoing costs:

One-time costs include initial purchase of the software and related hardware in addition to vendor support for implementation. Ongoing costs consist of an annual maintenance fee of approximately 15 percent of the software purchase price.

Effects of non-funding:

An attack is a discussion of when, not if. Non-funding continues to expose DSHS to cyber attack. There have been numerous attacks (Nimda, Code Red, Slammer, Blaster, etc.) with no negative payload other than generating a Denial of Service. It is just a matter of time before destructive attacks occur. There has already been one example which attacked software not used by DSHS. In that instance, any computer running the vulnerable software had the hard drive erased.

The net result could be unavailability of systems to both staff and to clients seeking to access DSHS online services.

Expenditure Calculations and Assumptions:

Operating Expenditures

Overall Funding	FY 1	FY 2	Total
Software	1,806,000	295,000	2,101,000
Hardware	43,000	0	43,000
Vendor Support	606,000	0	606,000
TOTAL	2,455,000	295,000	2,750,000

Staffing	FY 1	FY 2	Total
Agency FTEs	0.0	0.0	0.0

The cost of the Agency Electronic Intrusion Prevention Solution will be distributed across the agency.

See Attachment - AW PL-PA Electronic Intrusion Prevention.xls

Department of Social and Health Services

DP Code/Title: PL-PA Electronic Intrusion Prevention

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J1 100 2005-07 Agency Req 2 YR

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100 Objects			
T Intra-Agency Reimbursements	51,000	6,000	57,000

DSHS Source Code Detail

Program 100	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	51,000	6,000	57,000
<i>Total for Fund 001-1</i>	<u>51,000</u>	<u>6,000</u>	<u>57,000</u>
Total Program 100	51,000	6,000	57,000

2005-07 Biennium
PL-PA Electronic Intrusion Prevention

		PL-PA		PL-PA	
		TZ Distribution		TZ Distribution	
				(Rounded)	
		FY06	FY07	FY06	FY07
010 Children and Family Services	17.12%	420,323	50,431	420,000	51,000
020 Juvenile Rehabilitation	2.65%	65,062	7,806	65,000	8,000
030 Mental Health	2.20%	54,014	6,481	54,000	6,000
040 Developmental Disabilities	3.76%	92,314	11,076	92,000	11,000
050 Aging and Adult Services	5.30%	130,123	15,612	130,000	16,000
060 Economic Services	56.89%	1,396,741	167,583	1,397,000	167,000
070 Alcohol and Substance Abuse	0.37%	9,084	1,090	9,000	1,000
080 Medical Assistance	1.98%	48,612	5,833	49,000	6,000
100 Vocational Rehabilitation	2.09%	51,313	6,157	51,000	6,000
110 Management Services	7.64%	187,574	22,506	188,000	23,000
	100.00%	2,455,160	294,575	2,455,000	295,000

Special Reports

B9 Revenue Estimate System

Vocational Rehabilitation

DSHS BUDGET DIVISION

Department of Social and Health Services Agency Revenues - Details by Program

Show DP Detail

Version: 11 2005-07 Agency Request Budget

Program: 100 - Vocational Rehabilitation

CODES			DECISION PACKAGE	CURRENT BIENNIUM		ENSUING BIENNIUM		
FUND	SOURCE	SOURCE TITLE				MAINTENANCE LEVEL/ CARRY FORWARD LEVEL		PERFORMANCE LEVEL
				FY 2004	FY 2005	FY 2006	FY 2007	
001								FY 2007
001-2	0384	Department of Education						
001-2	126	Rehabilitation Svs - Basic Supp (A) (78.7%) - 126F		39,507,780	40,519,125	39,507,780	40,519,125	39,853,780
001-2	126	Rehabilitation Svs - Basic Supp (A) (78.7%) - 126F	CL-00			1,144,000		
001-2	126	Rehabilitation Svs - Basic Supp (A) (78.7%) - 126F	M2-1A			(798,000)	367,000	
		Subtotal for DSHS Source 126F		39,507,780	40,519,125	39,853,780	40,886,125	40,886,125
		Subtotal Subsource 126		39,507,780	40,519,125	39,853,780	40,886,125	40,886,125
001-2	169	Comprehensive Svcs for Indep Living Part B (90%) - 169D		342,220	313,375	342,220	313,375	342,220
001-2	187	Supported Employment Services (100%) - 187B		480,000	641,500	480,000	641,500	480,000
		Subtotal Source 0384		40,330,000	41,474,000	40,676,000	41,841,000	41,841,000
001-2	0396	Social Security Administration						
001-2	001	Social Security Disability Ins (100%) - 001B		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
001	0416	Sale of Property - Other						
001	0416	State & Misc Revenue						500
001	0416	State & Misc Revenue	CL-YA			500	500	
		Subtotal for DSHS Source				500	500	500
		Subtotal Subsource				500	500	500

**Department of Social and Health Services
Agency Revenues - Details by Program**

Budget Period: 2005-07**Version:** 11 2005-07 Agency Request Budget**Program:** 100 - Vocational Rehabilitation

Show DP Detail

Supporting and Non Supporting Revenue

CODES		DECISION PACKAGE	CURRENT BIENNIIUM		ENSUING BIENNIIUM		
FUND	SOURCE	SOURCE TITLE			MAINTENANCE LEVEL/ CARRY FORWARD LEVEL	PERFORMANCE LEVEL	
			FY 2004	FY 2005	FY 2006	FY 2007	FY 2007
Subtotal Source 0416					500	500	500
001	0486	Recov of Prior Appropriation Exp					
001	0486	State & Misc Revenue				1,603	1,603
001	0486	State & Misc Revenue			1,603	1,603	
		Subtotal for DSHS Source			1,603	1,603	1,603
		Subtotal Subsource			1,603	1,603	1,603
		Subtotal Source 0486			1,603	1,603	1,603
001-7	0541	Contributions and Grants					
001-7	000	Contributions & Grants - 5417	220,000	220,000	220,000	220,000	220,000
Total Fund 001			42,550,000	43,694,000	42,898,103	44,063,103	44,063,103

Special Reports

Federal Funding Estimates

Vocational Rehabilitation

DSHS BUDGET DIVISION

Department of Social and Health Services

Federal Funding Estimates Summary(Maintenance Level) by Program

Version: 11		Federal Fiscal Year (Federal \$)	State Fiscal Year (Federal \$)	State Fiscal Year (State Share \$)
Program: 100 Vocational Rehabilitation				
Dept of Education				
84.126	VR Basic (78.7%)			
	FY 2004	\$39,760,616	\$39,507,780	\$10,692,703
	FY 2005	\$40,352,789	\$40,519,125	\$10,966,421
	FY 2006	\$40,111,866	\$39,853,780	\$10,786,347
	FY 2007	\$40,886,125	\$40,886,125	\$11,065,749
84.169	VR Ind Lvg (90% ^s)			
	FY 2004	\$335,009	\$342,220	\$38,024
	FY 2005	\$320,586	\$313,375	\$34,819
	FY 2006	\$335,009	\$342,220	\$38,024
	FY 2007	\$313,375	\$313,375	\$34,819
84.187	VR Empl (100%)			
	FY 2004	\$520,375	\$480,000	\$0
	FY 2005	\$601,125	\$641,500	\$0
	FY 2006	\$520,375	\$480,000	\$0
	FY 2007	\$641,500	\$641,500	\$0
Social Security Admi				
96.001	SS Disab Ins (100%)			
	FY 2004	\$2,000,000	\$2,000,000	\$0
	FY 2005	\$2,000,000	\$2,000,000	\$0
	FY 2006	\$2,000,000	\$2,000,000	\$0
	FY 2007	\$2,000,000	\$2,000,000	\$0
Program 100 Totals:				
	FY 2004	<u>\$42,616,000</u>	<u>\$42,330,000</u>	<u>\$10,730,727</u>
	FY 2005	<u>\$43,274,500</u>	<u>\$43,474,000</u>	<u>\$11,001,240</u>
	FY 2006	<u>\$42,967,250</u>	<u>\$42,676,000</u>	<u>\$10,824,372</u>
	FY 2007	<u>\$43,841,000</u>	<u>\$43,841,000</u>	<u>\$11,100,568</u>

Special Reports

B9-1 Working Capital Reserve

Vocational Rehabilitation

DSHS BUDGET DIVISION

Working Capital Reserve

Budget Period: 2005-07
Agency: 300 Dept of Social and Health Services
Version: P1 150 2005-07 Agency Req 2 YR
Program: 100 Vocational Rehabilit

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Page: 1

		FUND ADMINISTRATOR AGENCY ONLY	FUND ADMINISTRATOR AGENCY ONLY
		RECOMMENDED ENDING FUND BALANCE	RECOMMENDED ENDING FUND BALANCE
FUND	FUND TITLE	Current Biennium	Ensuing Biennium
540	Tele Device Hearing/Speech Impaired	900,000	900,000

State of Washington

		Code	Title
AGENCY		300	Department of Social and Health Services
PROGRAM		100	Division of Vocational Rehabilitation
SUBPROGRAM			

Working Capital Reserve - B9-1 Narrative - Fund 540 Telecommunication Device Hearing/Speech Impaired

This special revenue fund is used to provide interstate & intrastate telecommunications relay services, specialized telecommunication devices and assistive listening devices capable of serving the needs of the deaf, hard of hearing, deafblind and speech disabled.

The estimate is based on the average cash expenditures for Fiscal Year 2004. It is sufficient to allow ODH to accommodate Federal Communications Commission (FCC) ordered mandatory relay service features. It is also sufficient to cover program obligations and avoid contract default due to cash flow concern.